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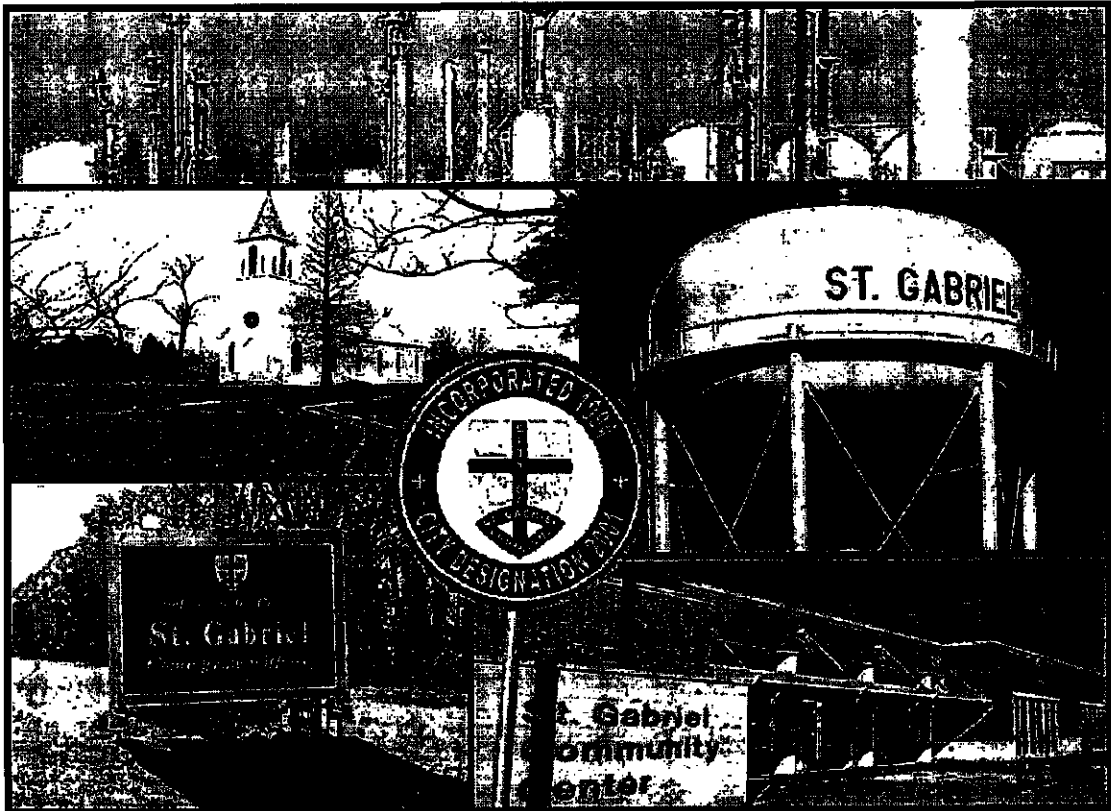
Release Date 4/13/11

2010

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2010

City of St. Gabriel, Louisiana



City of St. Gabriel, Louisiana

"No matter where you are going, you can get to the finish line."

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ST. GABRIEL, LOUISIANA

For the fiscal year ended June 30, 2010



Prepared by

City of St. Gabriel
Finance Department

CITY OF ST. GABRIEL, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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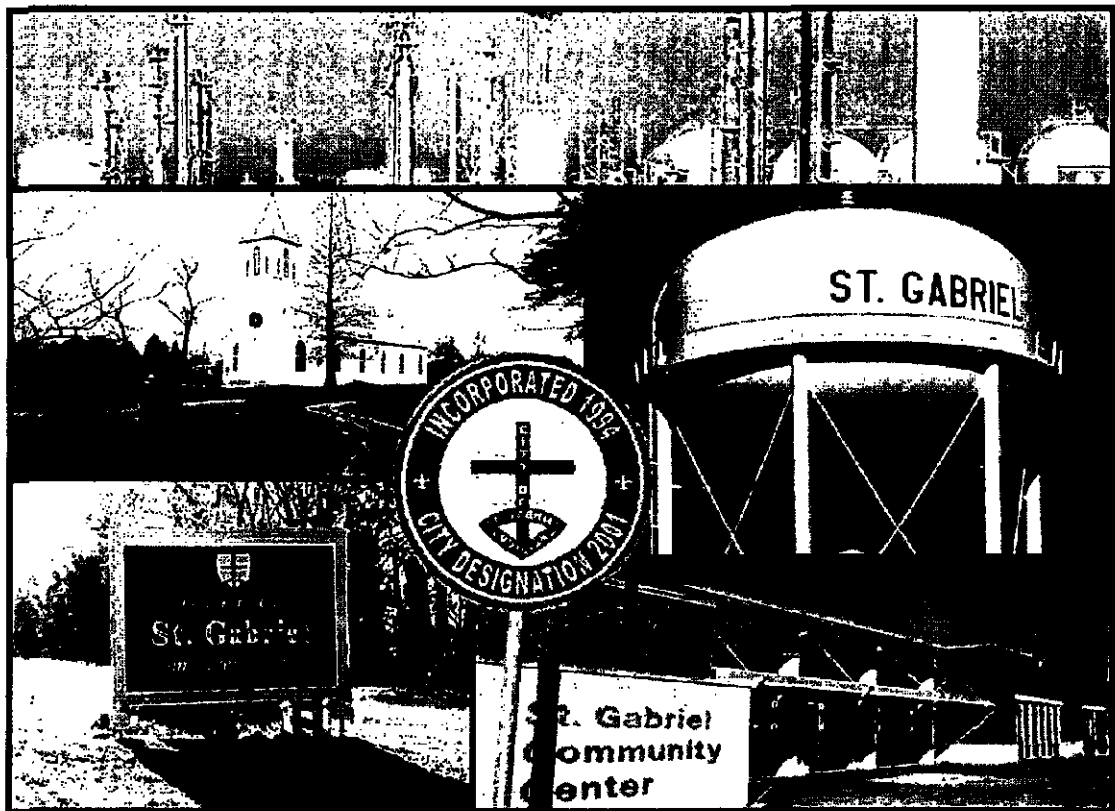
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St. Gabriel, Louisiana

City of St. Gabriel, Louisiana



City of St. Gabriel, Louisiana

"No matter where you are going, you can get there from St. Gabriel."



**CITY
GOVERNMENT**

George L. Grace, Sr.

Mayor

CITY COUNCIL

Freddie C. Frazier, Sr.

Mayor Pro-Temore

Deborah R. Alexander

Flora J. Danielfield

Melvin Hasten, Sr.

Ralph Johnson, Sr.

CITY CLERK

Yolanda L.

Andrews-Mactaur



Main Telephone:

(225) 642-9600

Mayor's Fax Line

(225) 642-9670

City Clerk's Fax Line:

(225) 642-0043



POLICE

DEPARTMENT

Kevin J. Ambeau, Sr.

Chief of Police

Main Telephone:

(225) 642-9600

Ext. 2253/2254/2259

FAX: (225) 642-9622

December 21, 2010

The Citizens,
The Mayor,
and Members of the City Council
City of St. Gabriel

Dear Citizens, Mayor, and Council Members:

Pursuant to Louisiana State Statutes, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the City of St. Gabriel (the City) for the year ended June 30, 2010. The City Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activities of its various funds and the government-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management of the City.

The City financial statements have been audited by Postlethwaite & Netterville, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the City of St. Gabriel's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first document of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of St. Gabriel was incorporated as a town in 1994, and received city designation in 2001. It is located in Iberville Parish, on the Mississippi River, with the historic Bayou Manchac serving as the official boundary between St. Gabriel, Ascension Parish, and East Baton Rouge Parish. The City currently occupies a land area of 29 square miles and serves and serves an estimated population of 5,500 according to the U.S. Census as of 2009.

The City follows the provisions of the Lawrason Act as provided by Louisiana Law. The City has seven elected officials comprised of a Mayor, five City Council members and one Chief of Police that are serving four year terms. Policy making and legislative authority are vested in a governing council consisting of five council members. The Council is responsible, among other things, for passing ordinances, adopting the budget and appointing committees. The Mayor is the chief executive officer of the City. The Chief of Police is responsible for administration of the City's law enforcement services. Finally, the City Clerk is appointed by the Mayor and approved by the City Council.

The City provides a full range of services to the public including infrastructure maintenance and construction, public safety, social and recreational services, and general administrative services.

A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by the Governmental Accounting Standards Board (GASB), Statement No. 14. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

An explanation of the accounting policies of the City is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policies are explained in detail in the Notes to the Financial Statements.

Budgetary Control

The annual budget serves as the foundation for the City's financial planning and control. The annual operating budget is proposed by the mayor and enacted by the City Council. The City Council is required to adopt the final budgets no later than June 30 each year. Budgets are adopted at the fund and department level. Budgetary transfers across department lines or between classes of lump sum appropriations require approval of the City Council. Additional details on the budget process are explained in the Notes to the Financial Statements.

Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General, Ad Valorem No. 2 Tax, Civic Center Operating, Parish-wide Sales Tax, Sales and Use Tax, and Code Enforcement Grant Funds, this comparison is presented in Exhibits B through B-5. For other governmental special revenue, debt-service, and capital projects funds, the annual budget comparison is presented in the Combining and Individual Fund Statements and Schedules, Exhibits C through D-5.

Cash Management

Idle cash balances are invested on a daily basis at the best interest rates available within legal constraints imposed by state law and the City's cash and investment policy. The primary objectives of the City investment activities are safety, liquidity, yield and legality. To maximize interest earnings, cash balances of all funds are pooled, except where separate cash and investment accounts are mandated by legal requirements.

Risk Management

The City of St. Gabriel is insured for general liability, automobile, and workers' compensation under basic commercial insurance policies. As part of this plan, the City has small deductible limits with most major events or losses covered by insurance.. In addition, various risk control techniques including a drug free workplace program, employee drug screening, and employee safety programs have been implemented to minimize accident-related losses.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

St. Gabriel is located in the Baton Rouge metropolitan area. The City of Baton Rouge is the state capital and the closest large Metropolitan Statistical Area (MSA) to New Orleans. Because of the proximity to New Orleans, The Baton Rouge MSA initially absorbed nearly a quarter million south Louisiana residents in the aftermath of Hurricane Katrina in 2005. Since then, traffic counts, sales tax collections, school enrollment and other factors indicate that the region's population is growing.

St. Gabriel is located on the Mississippi River in the southeast region of the state and is a major center for commerce and industry. The largest taxpayers in St. Gabriel are primarily companies involved in the petrochemical and energy sectors. Products range from refined chemicals, household products and plastic materials. The local industry provides the majority of the jobs within the City. The taxes paid by local industry are significant to the City's tax base and economy. Because of an increase in capital acquisition and proposed construction in the petrochemical industry, the City expects to maintain a stable level of property and sales tax collections through 2011.

General sales and use tax revenues in 2010 for operations of the City were approximately \$402,000 more than the 2009 revenues, representing a 8% increase. The general sales and use tax plays a significant role in financing the operations of the General Fund. Transfers from the Sales and Use Tax - Parish Wide Fund to the General Fund were approximately \$1.6 million in 2010.

During 2010 the City had employed labor of approximately 4,700 with an unemployment rate of 7.8%. The unemployment rate was higher compared to the 2009 rate of 5.3%.

The City's population has a current median household income of \$35,400 and age of 33.

The City provides some source of housing to the Baton Rouge MSA with approximately 1,100 household units with a median value of \$90,000. Other important industries include government, construction, transportation, real estate and retail trade.

Major Initiatives in 2011

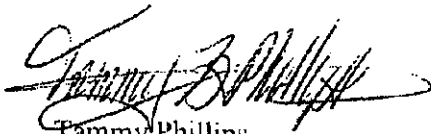
The City anticipates issuing new debt during 2011, to fund projects to improve infrastructure within the City. The Debt Service Fund will be used for the repayment of the aforementioned anticipated debt issued to fund road and sewer improvement capital projects. The City's principal and interest repayment obligation for 2011 are expected to be approximately \$835,000. These repayment obligations will be funded through transfers from the City's 1 cent sales and use tax.

The City is in the preliminary stages of planning for an \$11 million expansion of the current sewer system. The City anticipates this project to be partially funded by grants along with certain debt issues. Furthermore, the City is planning for road improvements to include the construction of the Pointe Claire Parkway and reconstruction of Bayou Paul Lane, which will total an estimated \$21 million. Finally, the City has budgeted \$1.2 million in funds for housing development for low income individuals.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Postlethwaite & Netterville, LLC, and our financial and accounting consultants, Faulk & Winkler, LLC. We thank the Mayor and City Council for their support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,



Tammy Phillips
Finance Director

**CITY OF ST. GABRIEL
PRINCIPAL OFFICIALS
JUNE 30, 2010**

MAYOR

George L. Grace, Sr.

COUNCIL MEMBERS

Deborah R. Alexander

Flora J. Danielfield

Freddie C. Frazier, Sr.

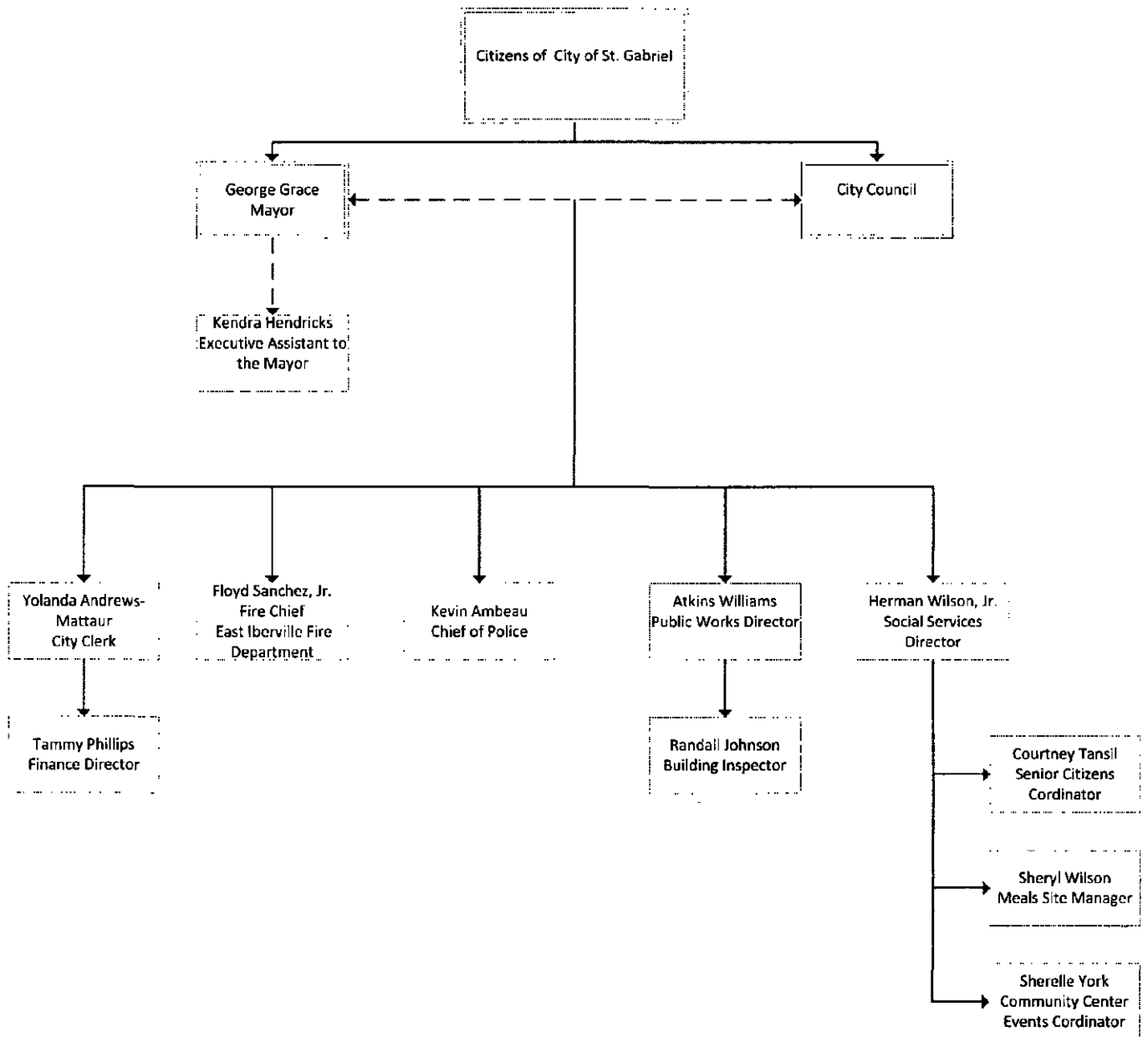
Melvin Hasten, Sr.

Ralph Johnson, Sr.

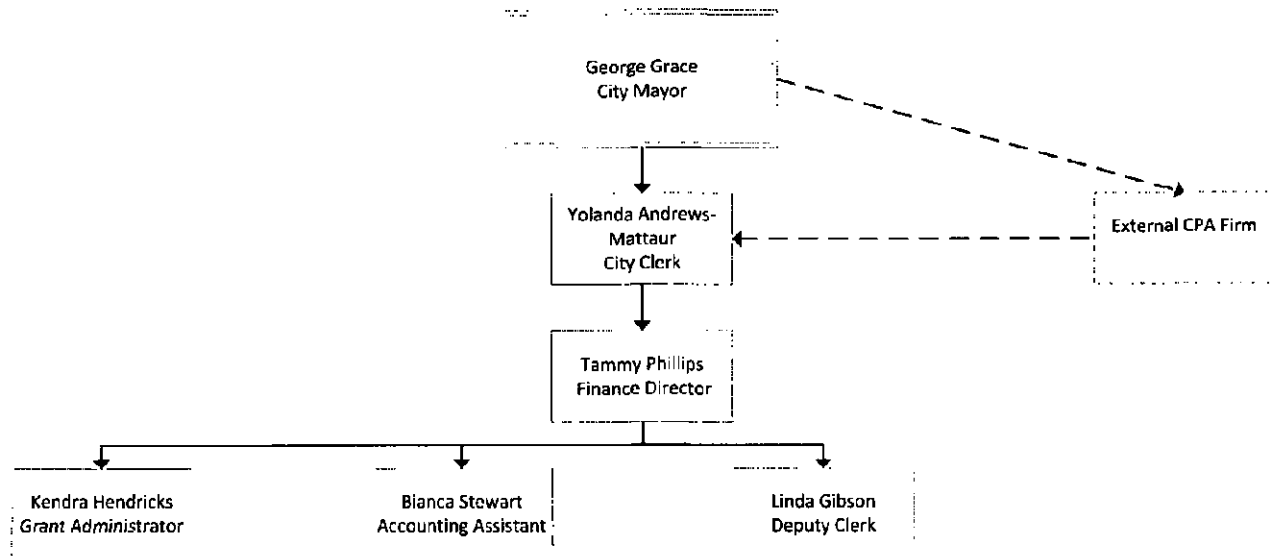
CHIEF OF POLICE

Kevin Ambeau

CITY OF ST. GABRIEL
ORGANIZATIONAL CHART
PRIMARY GOVERNMENT



CITY OF ST. GABRIEL
ORGANIZATIONAL CHART
CITY CLERK'S OFFICE





Home Sweet Home

Discover the beauty of home



City of St. Gabriel, Louisiana

"No matter where you are going you can get here from St. Gabriel"

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
City Council Members
City of St. Gabriel, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Gabriel (the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of St. Gabriel, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Gabriel, Louisiana, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2010, on our consideration of the City of St. Gabriel, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 51 through 58 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considered it to be an essential part of financial reporting for placing the basic financial statements in a appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Gabriel, Louisiana's basic financial statements. The accompanying other supplementary information on pages 59 through 70 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the financials statement and, accordingly, we do not express an opinion or provide any assurance on it.

Poaththwait & Matthews

December 21, 2010

CITY OF ST. GABRIEL, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of The City of St. Gabriel's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the City's financial statements which begin on page 15. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

FINANCIAL HIGHLIGHTS

In 2010, the City of St. Gabriel had governmental revenues increase relative to prior years, while the governmental expenditures also increased. All City funds continue to be maintained with sufficient fund balance that represents adequate net worth. Although community demands have increased, the City has been responsible with its available resources.

The major financial highlights for 2010 are as follows:

- Assets of the City's primary government exceeded its liabilities at the close of the year by approximately \$10.5 million (net assets). Of this amount, approximately \$2.1 million (unrestricted net assets) may be used without restrictions to meet the City's ongoing obligations to citizens and creditors.
- The primary government's total net assets increased by approximately \$157,000 during 2010.
- Governmental activities' net assets increased by approximately \$440,000, primarily the result of sales tax revenue.
- Business type total net assets decreased by approximately \$283,000, as a result of flat sewer fee collections and increasing expenses, primarily personnel and supplies.
- As of the end of the year, the primary government's governmental funds reported combined fund balances of \$2.9 million, an increase of \$344,000 in comparison to the prior year.

Significant aspects of the City's financial well being, as of and for the year ended June 30, 2010, are detailed throughout this analysis.

USING THIS ANNUAL REPORT

With the implementation of Governmental Accounting Standards Board Statement No. 34, a government's presentation of financial statements has greatly changed. The new statements focus on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year and should enhance the City's accountability.

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 15 and 16) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

Fund financial statements start on page 18. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Our auditor has provided assurance in their independent auditors' report, located immediately preceding this MD&A, that the financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the required supplemental information and the supplemental information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

Reporting on the City as a Whole

Our analysis of the City as a whole begins on page 15. The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way to determine if the City is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the City's net assets and related changes. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property and sales tax base and the condition of the City's roads and buildings, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including public safety, streets and sanitation, culture and recreation, and general administration. Property and sales taxes, charges for services, and state and federal grants finance most of these activities.

Business-type activities - The City charges a fee to customers to help it cover the cost of certain services it provides. The City maintains a wastewater treatment system which is all reported here. The shortfall of revenue from this activity has been funded from sales tax collections.

The analysis below of the primary government focuses on the net assets and change in net assets of the City's governmental and business-type activities.

City of St. Gabriel, Louisiana
Statement of Net Assets
June 30, 2010 and 2009
(in thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--|----------------------------|-----------------|-----------------------------|-----------------|-----------------------------|------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$ 3,414 | \$ 2,955 | \$ (193) | \$ (117) | \$ 3,221 | \$ 2,838 |
| Capital assets | <u>6,973</u> | <u>7,184</u> | <u>8,388</u> | <u>8,668</u> | <u>15,361</u> | <u>15,852</u> |
| Total assets | <u>10,387</u> | <u>10,139</u> | <u>8,195</u> | <u>8,551</u> | <u>18,582</u> | <u>18,690</u> |
| Current and other liabilities | 532 | 432 | 24 | 24 | 556 | 456 |
| Long-term liabilities | <u>4,508</u> | <u>4,800</u> | <u>3,033</u> | <u>3,107</u> | <u>7,541</u> | <u>7,907</u> |
| Total liabilities | <u>5,040</u> | <u>5,232</u> | <u>3,057</u> | <u>3,131</u> | <u>8,097</u> | <u>8,363</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 2,465 | 2,365 | 5,355 | 5,561 | 7,820 | 7,926 |
| Restricted | 402 | 315 | 144 | 63 | 546 | 378 |
| Unrestricted | <u>2,479</u> | <u>2,227</u> | <u>(361)</u> | <u>(204)</u> | <u>2,118</u> | <u>2,023</u> |
| Total net assets | <u>\$ 5,346</u> | <u>\$ 4,907</u> | <u>\$ 5,138</u> | <u>\$ 5,420</u> | <u>\$ 10,484</u> | <u>\$ 10,327</u> |

At June 30, 2010, the City's net assets were \$10.5 million, of which \$2.1 million was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limits the City's ability to use those net assets for day-to-day operations.

Net assets of the City's governmental activities increased by approximately \$440,000 during 2010, ending the year with unrestricted net assets of \$2.5 million. The increase in governmental net assets was primarily due to (1) increased sales tax proceeds of \$370,000 and (2) an increase in charges for services of \$75,000. Unrestricted net assets, which increased by \$252,000, represent the portion of the City's resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

The \$2.5 million in governmental activities unrestricted net assets at the completion of the 2010 fiscal year represents the accumulated results of operations. It means that if we had to pay off all of the debt, we would have \$2.5 million remaining. The changes in net assets are discussed later in this analysis.

The net assets of the City's business activities decreased by approximately \$283,000 during 2010. The City operates wastewater treatment systems for its constituents. The principal focus of this activity is to operate on a profitable basis. The primary reason for the decrease in net assets of the business activities was due to the increase in insurance and supply cost of approximately \$105,000. For the current and past several years, the City has been required to subsidize these operations with sales and use tax collections to eliminate operating deficits.

(Continued)

The results of this year's operations for the primary government as a whole as reported in the Statement of Activities, are as follows:

| City of St. Gabriel, Louisiana Changes in Net Assets For the years ended June 30, 2010 and 2009 (in thousands) | | | | | | |
|---|----------------------------|-----------------|-----------------------------|-----------------|------------------|------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 968 | \$ 893 | \$ 128 | \$ 126 | \$ 1,096 | \$ 1,019 |
| Operating grants and contributions | 313 | 26 | - | - | 313 | 26 |
| General revenues: | | | | | | |
| Ad Valorem taxes | 2,387 | 2,357 | - | - | 2,387 | 2,357 |
| Sales taxes | 2,851 | 2,480 | - | - | 2,851 | 2,480 |
| Video poker taxes | 593 | 577 | - | - | 593 | 577 |
| Other general revenues | 614 | 968 | - | - | 614 | 968 |
| Total revenues | <u>7,726</u> | <u>7,301</u> | <u>128</u> | <u>126</u> | <u>7,854</u> | <u>7,427</u> |
| Functions/Program Expenses: | | | | | | |
| General government | 1,815 | 1,892 | - | - | 1,815 | 1,892 |
| Public safety | 1,680 | 1,513 | - | - | 1,680 | 1,513 |
| Streets and sanitation | 2,098 | 1,265 | - | - | 2,098 | 1,265 |
| Culture and recreation | 890 | 712 | - | - | 890 | 712 |
| Wastewater treatment | - | - | 1,071 | 802 | 1,071 | 802 |
| Interest on long-term debt | 144 | 180 | - | - | 144 | 180 |
| Total expenses | <u>6,627</u> | <u>5,562</u> | <u>1,071</u> | <u>802</u> | <u>7,698</u> | <u>6,364</u> |
| Increase (decrease) in net assets | | | | | | |
| before transfers | 1,099 | 1,739 | (943) | (676) | 156 | 1,063 |
| Transfers | <u>(660)</u> | <u>(660)</u> | <u>660</u> | <u>660</u> | <u>-</u> | <u>-</u> |
| Change in net assets | 439 | 1,079 | (283) | (16) | 156 | 1,063 |
| Beginning net assets, as restated | <u>4,907</u> | <u>3,828</u> | <u>5,420</u> | <u>5,436</u> | <u>10,327</u> | <u>9,264</u> |
| Ending net assets | <u>\$ 5,346</u> | <u>\$ 4,907</u> | <u>\$ 5,137</u> | <u>\$ 5,420</u> | <u>\$ 10,483</u> | <u>\$ 10,327</u> |

The increase in net assets of nearly \$158,000 is due mainly to the increase in grant and sales tax revenue. However, the increased revenue received by the City was offset primarily by rising personnel and maintenance related costs for the primary government.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types.

Reporting the City's Most Significant Funds

An analysis of the City's major funds begins on page 18 with the fund financial statements that provide detailed information about the most significant funds and not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City Council establishes other funds to control and manage financial resources for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other assets. The City's two kinds of funds, governmental and proprietary, use different accounting bases.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the City's basic services are reported in governmental funds. These funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation to the financial statements. The governmental major funds (Exhibits A-2 and A-4) presentation is presented using modified accrual basis and focuses on the major funds of the City. Finally, combining financial statements of the nonmajor funds can be found in the Combining Nonmajor Fund Statements that follow the basic financial statements.

Proprietary funds - When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the City's major funds. See Exhibit B through B-6.

Certain supplementary financial information can be found in Exhibits C through D-5. These schedules are included for additional information and analysis and do not constitute a part of the basic financial statements.

Financial Analysis of the Government's Funds

The general government operations of the City are accounted for in the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The following is a summary of general governmental operations for 2010 by fund type:

| | (in thousands) | | | | | |
|--|-----------------|-----------------------------|------------------------------|--------------------------|-----------|----------|
| | 2010 | | | | | 2009 |
| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | Totals | Totals |
| Revenue & transfers | \$ 5,207 | \$ 5,467 | \$ - | \$ 50 | \$ 10,724 | \$ 9,712 |
| Expenditures & transfers | 5,296 | 4,897 | - | 187 | 10,380 | 8,562 |
| Surplus (deficit) | (89) | 570 | - | (137) | 344 | 1,150 |
| Fund balance, June 30 2009, as restated | 129 | 2,243 | 41 | 137 | 2,550 | 1,400 |
| Fund balance, June 30, 2010 | \$ 40 | \$ 2,813 | \$ 41 | \$ - | \$ 2,894 | \$ 2,550 |

The City's governmental funds experienced a surplus of \$344,000 during 2010 that primarily related to its special revenue funds. At year end, fund balances were approximately \$2.9 million. Approximately, \$2.8 million is unrestricted and available for utilization at the City's discretion. The remainder of the fund balance has been restricted for payment of debt service.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balance of the General Fund was approximately \$40,000 compared to the fund balance of \$129,000 at 2009. The decrease in fund balance resulted from the operating deficit of \$89,000, which is less than the \$55,000 surplus budgeted by the City. This variation is primarily due to the budgeted revenue from fines not meeting expectations and general government and public safety expenditures exceeding budgetary levels.

The City's other major funds are the Ad Valorem No.2 Tax Fund, the Civic Center Operating Fund, the Parish-wide Sales and Use Tax Fund, the Sales and Use Tax Fund, and the Code Enforcement Grant Fund. The change to the Civic Center Operating Fund was an approximate \$85,000 decrease, which was budgeted to be a \$8,000 increase. Additionally, the Ad Valorem No.2 Tax Fund, Parishwide Sales and Use Tax Fund, and Sales and Use Tax Fund, had increases of \$223,000, \$248,000, and \$143,000, respectively, due to higher than budgeted sales and property tax collections. The City maintains these funds to support government operations and can be budgeted at the City's discretion. As such, these three funds accumulated reserves during 2010. The Code Enforcement Grant Fund also experienced an increase in fund balance of \$41,000, which was comparable to the budgeted increase.

Sources of governmental revenues, excluding transfers, are summarized below.

| <u>Source of Revenue</u> | (in thousands) | | | |
|--------------------------|-----------------|-------------|-----------------|-------------|
| | 2010 | | 2009 | |
| | Revenue | Percent | Revenue | Percent |
| Taxes | \$ 5,280 | 72% | \$ 4,880 | 67% |
| Intergovernmental | 1,066 | 14% | 1,411 | 20% |
| Licenses and permits | 287 | 4% | 180 | 2% |
| Fines | 580 | 8% | 624 | 9% |
| Miscellaneous | 165 | 2% | 205 | 2% |
| Total | <u>\$ 7,378</u> | <u>100%</u> | <u>\$ 7,300</u> | <u>100%</u> |

Revenues of the primary government for general governmental fund types for 2010 totaled \$7.4 million, compared with \$7.3 million for the previous year, representing a \$78,000 or 1% increase. The increase in revenue of \$78,000 is primarily due to increases in tax revenue. As noted above, the City's activities are largely supported by tax revenues, which represent 72% of total governmental resources.

Approximately \$5.3 million of the \$7.4 million of governmental revenues in 2010 were for dedicated purposes. The remaining \$2.1 million, generated in the General Fund, were available to fund a number of City services, such as the Streets and Sanitation Department, Public Safety, Social and Recreational Services and City administrative functions.

Expenditures of the primary government increased by approximately \$1.2 million in 2010. Expenditures for general governmental functions for each major function are summarized in the following table.

| Function | (in thousands) | | | |
|----------------------------------|----------------|---------|-------------|---------|
| | 2010 | | 2009 | |
| | Expenditure | Percent | Expenditure | Percent |
| General Government | \$ 1,983 | 29% | \$ 1,757 | 32% |
| Public Safety | 1,656 | 25% | 1,555 | 28% |
| Streets and sanitation | 1,881 | 28% | 1,043 | 19% |
| Social and recreational services | 753 | 11% | 530 | 10% |
| Debt service | 451 | 7% | 453 | 8% |
| Capital Outlay | - | 0% | 153 | 3% |
| Total | \$ 6,724 | 100% | \$ 5,491 | 100% |

The largest increase in spending occurred in streets and sanitation of \$838,000 or 80%, due to increases in road and facility repair and maintenance. Furthermore, the City increased its workforce in 2010 which also contributed to the increase in expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the City's General Fund's budget was amended on several occasions. The amendment of the operating and capital budgets is a customary practice of the City and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant change during 2010 was as follows:

- To reflect increased anticipated intergovernmental and fines revenues.
- To reflect decreased property tax revenues.
- To reflect increases in expenditures, primarily in insurance, street maintenance, and Hurricane Gustav repairs.

With these adjustments, the actual charges to appropriations (expenditures) were \$189,000 less than the related final budget appropriations of \$5.5 million. The most significant negative variance occurred in the City's general government and public safety departments, where expenditures were \$153,000 and \$76,000 respectively, more than anticipated expenditures. These variances were offset by street and sanitation capital outlay, ending the year below budget by \$422,000.

The City experienced increased expenditures from the prior year in all departments relating to insurance, utilities, and fuel expenditures. In particular, employee health and general liability insurance costs increased. Finally, rising fuel costs have impacted the City relative to the vehicle fuel purchased along with City utility expenditures.

Finally, resources available for appropriation were \$2.6 million with expenditures appropriated at \$5.3 million, with the deficit funded by collections from the City's Ad valorem and sales tax funds. The operating deficit in the General Fund for 2010 was \$89,000 and the related fund balance was \$40,000 at year end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the City had approximately \$15 million invested in a broad range of capital assets, including vehicles, fire equipment, computer equipment, office furniture, land, buildings, park facilities, roads, and sewer treatment systems. This amount represents a net decrease of approximately \$492,000, or 3.1 percent, less than last year.

| | (in thousands) | | | | | |
|-----------------------------------|----------------|----------|---------------|----------|-----------|-----------|
| | Governmental | | Business-type | | Totals | |
| | Activities | | Activities | | | |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Land | \$ 442 | \$ 442 | \$ 60 | \$ 60 | \$ 502 | \$ 502 |
| Buildings | 4,807 | 4,720 | - | - | 4,807 | 4,720 |
| Equipment and vehicles | 593 | 722 | - | - | 593 | 722 |
| Sewer treatment plants | - | - | 8,328 | 8,608 | 8,328 | 8,608 |
| Infrastructure | 1,131 | 1,301 | - | - | 1,131 | 1,301 |
| Total assets, net of depreciation | \$ 6,973 | \$ 7,185 | \$ 8,388 | \$ 8,668 | \$ 15,361 | \$ 15,853 |

More detailed information about the City's capital assets as well as information on the City's capital projects is presented in Note 5 to the financial statements. The City had \$383,000 in capital additions during 2010. These capital outlays were primarily related to improvements made to governmental facilities (\$235,000) and vehicles purchased for the police department administration (\$98,000). However, depreciation expense of the City's assets of \$874,000 resulted in a net decline in capital assets of \$491,000.

The City is primarily responsible for approximately 17 miles of roads.

Debt

At year-end, the City had \$7.5 million in bonds and notes outstanding versus \$7.9 million last year—a decrease of \$365,000 — as shown below:

| | (in thousands) | | |
|-----------------------------|---------------------|---------------|---------------------|
| | Balance as restated | Deletions | Balance End of Year |
| Public improvement | \$ 4,556 | \$ 55 | \$ 4,501 |
| Certificate of indebtedness | 183 | 183 | - |
| Capital leases | 61 | 53 | 8 |
| Revenue Bonds | <u>3,107</u> | <u>74</u> | <u>3,033</u> |
| | <u>\$ 7,907</u> | <u>\$ 365</u> | <u>\$ 7,542</u> |

The City paid off and remained current on all bonds and notes outstanding, including capital lease agreements relating to equipment acquired for the general government and streets and sanitation departments. The City retired approximately \$365,000 in debt during 2010.

The State of Louisiana limits the amount of general obligation debt that municipalities can issue to 35 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below this \$52 million state-imposed limit. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City's elected and appointed officials considered many factors when setting the fiscal-year 2011 budget and tax rates. One of those factors is the economy. The largest taxpayers in the City are primarily companies involved in the petrochemical processing sector. These companies are significantly impacted by the increasing cost of fuel, including natural gas. With the high price of fuel in recent years, these companies have experienced financial difficulty resulting in reduction of personnel staffing and the rate of plant expansion, if any. As a result, the local economy has been impacted by the financial concerns of this major industry in the City.

An important factor affecting the budget is the City's ad valorem and sales tax collections that approximate 67% of 2011 budgeted operating revenue. The City budgeted an increase in total sales tax collections of approximately 3% for 2011. Additionally, the 2011 operating budget expenditures provides for increases in social services and public safety of 7%, mainly in personnel costs while streets and sanitation is budgeted to decrease as expenses related to Hurricane Gustav are completed. General government expenditures are budgeted to decrease by 4% due to various reductions in overall expenditures. Another major factor is the application for grant funding of \$18 million as well as debt issuance totaling \$16.3 million to be used for housing development and road and sewer improvements. For 2011, revenues and other financing sources are budgeted at \$41.9 million while expenditures are expected to be \$41.6 million. If these estimates are realized, the City's budgetary fund balances are expected to increase by the close of 2011 by \$302,000.

These indicators were taken into account when adopting the General Fund budget for 2011. Property taxes are expected to increase during 2011 to approximately \$1 million, an increase of \$30,000. The taxes are expected to fund operations of the City's governmental operations, the Civic Center, including debt service, sewer operations, a new housing program and economic development projects. Traffic tickets and fines are projected to increase by approximately \$34,000 to \$675,000. The City will use these revenues to fund the City's Police Department.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tammy Phillips with the City's Finance Office at (225) 642-9600 or 5035 Iberville Street, St. Gabriel, Louisiana, 70776.

Home Sweet Home St. Gabriel

City of St. Gabriel, Louisiana



City of St. Gabriel, Louisiana

"No matter where you are going, you can get there from St. Gabriel."

CITY OF ST. GABRIEL, LOUISIANA
STATEMENT OF NET ASSETS

June 30, 2010

| | Primary Government | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 2,038,238 | \$ 1,157 | \$ 2,039,395 |
| Accounts receivable, net | 10,848 | 9,023 | 19,871 |
| Due from other governments | 868,445 | - | 868,445 |
| Prepaid items | 28,477 | - | 28,477 |
| Internal balances | 346,876 | (346,876) | - |
| Restricted assets | 121,000 | 143,534 | 264,534 |
| Capital assets: | | | |
| Non-depreciable | 442,324 | 60,000 | 502,324 |
| Depreciable, net | 6,530,642 | 8,328,206 | 14,858,848 |
| Total assets | \$ 10,386,850 | \$ 8,195,044 | \$ 18,581,894 |
| LIABILITIES | | | |
| Accounts payable | \$ 284,022 | \$ 6,059 | \$ 290,081 |
| Accrued payables | 248,191 | 17,790 | 265,981 |
| Long-term payables: | | | |
| Due within one year | 73,662 | 43,498 | 117,160 |
| Due in more than one year | 4,434,448 | 2,989,914 | 7,424,362 |
| Total liabilities | 5,040,323 | 3,057,261 | 8,097,584 |
| NET ASSETS | | | |
| Investment in capital assets, net of related debt | 2,464,856 | 5,354,794 | 7,819,650 |
| Restricted for: | | | |
| Capital projects | 281,281 | - | 281,281 |
| Debt service | 121,000 | 143,534 | 264,534 |
| Unrestricted (deficit) | 2,479,390 | (360,545) | 2,118,845 |
| Total net assets | 5,346,527 | 5,137,783 | 10,484,310 |
| Total liabilities and net assets | \$ 10,386,850 | \$ 8,195,044 | \$ 18,581,894 |

Notes on Exhibit A-9 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA
STATEMENT OF ACTIVITIES

For the year ended June 30, 2010

| | Program Revenues | | | Net (Expenses) Revenue and Changes in Net Assets | | |
|---|------------------|-------------------------|--|---|----------------------------|-----------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities |
| Functions/Programs | | | | | | |
| Primary government: | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 1,815,075 | \$ 370,929 | \$ 222,164 | \$ - | \$ (1,221,982) | \$ - |
| Public safety | 1,680,601 | 579,913 | 91,488 | - | (1,009,200) | - |
| Streets and sanitation | 2,098,475 | - | - | - | (2,098,475) | - |
| Culture and recreation | 890,119 | 17,233 | - | - | (872,886) | - |
| Interest on long-term debt | 144,264 | - | - | - | (144,264) | - |
| Total governmental activities | 6,628,534 | 968,075 | 313,652 | - | (5,346,807) | - |
| Business-type activities: | | | | | | |
| Waste water treatment facilities | 1,071,024 | 128,357 | - | - | - | (942,667) |
| Total business-type activities | 1,071,024 | 128,357 | - | - | - | (942,667) |
| Total primary government | \$ 7,699,558 | \$ 1,096,432 | \$ 313,652 | \$ - | (5,346,807) | (942,667) |
| | | | | | | |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Ad valorem | | | | | 2,387,528 | - |
| Sales | | | | | 2,851,473 | - |
| Video Poker | | | | | 592,815 | - |
| Other | | | | | 40,477 | - |
| Grants and contributions not restricted to specific programs | | | | | 573,138 | - |
| Investment earnings | | | | | 1,068 | 80 |
| Transfers | | | | | (660,000) | 660,000 |
| Total general revenues and transfers | | | | | 5,786,499 | 660,080 |
| | | | | | | |
| Change in net assets | | | | | 439,692 | (282,587) |
| Net assets - beginning of year, as restated | | | | | 4,906,835 | 5,420,370 |
| Net assets - end of year | | | | | \$ 5,346,527 | \$ 5,137,783 |

Notes on Exhibit A-9 are an integral part of this statement.



CITY OF ST. GABRIEL, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2010

| | General | Ad Valorem 2 Tax Fund | Civic Center Operating Fund | Parish-wide Sales and Use Tax | Sales and Use Tax | Code Enforcement Grant | Other Governmental Funds | Total Governmental Funds |
|------------------------------------|-------------------|--------------------------|-----------------------------------|-------------------------------------|----------------------|------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 441,756 | \$ 216,072 | \$ 51,833 | \$ 415,020 | \$ 649,644 | \$ 217,515 | \$ 46,398 | \$ 2,038,238 |
| Other receivables | 10,848 | - | - | - | - | - | - | 10,848 |
| Due from other governments | 199,091 | - | 50,187 | 330,747 | 177,122 | 111,298 | - | 868,445 |
| Prepaid items | 28,477 | - | - | - | - | - | - | 28,477 |
| Restricted cash | - | - | - | - | 121,000 | - | - | 121,000 |
| Due from other fund | <u>255,547</u> | <u>310,049</u> | <u>-</u> | <u>376,034</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>941,630</u> |
| Total assets | <u>\$ 935,719</u> | <u>\$ 526,121</u> | <u>\$ 102,020</u> | <u>\$ 1,121,801</u> | <u>\$ 947,766</u> | <u>\$ 328,813</u> | <u>\$ 46,398</u> | <u>\$ 4,008,638</u> |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ 252,966 | \$ - | \$ - | \$ - | \$ - | \$ 31,055 | \$ - | \$ 284,021 |
| Accrued expenses | 231,692 | - | 4,086 | - | - | - | - | 235,778 |
| Due to other fund | <u>411,083</u> | <u>-</u> | <u>49,235</u> | <u>-</u> | <u>-</u> | <u>129,165</u> | <u>5,271</u> | <u>594,754</u> |
| Total liabilities | <u>895,741</u> | <u>-</u> | <u>53,321</u> | <u>-</u> | <u>-</u> | <u>160,220</u> | <u>5,271</u> | <u>1,114,553</u> |
| FUND BALANCE | | | | | | | | |
| Reserved for: | | | | | | | | |
| Debt service | - | - | - | - | 121,000 | - | - | 121,000 |
| Unreserved: | | | | | | | | |
| Undesignated, reported in: | | | | | | | | |
| General fund | 39,978 | - | - | - | - | - | - | 39,978 |
| Special revenue funds | - | 526,121 | 48,699 | 1,121,801 | 826,766 | 168,593 | - | 2,691,980 |
| Capital projects funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>41,127</u> | <u>41,127</u> |
| Fund balance | <u>39,978</u> | <u>526,121</u> | <u>48,699</u> | <u>1,121,801</u> | <u>947,766</u> | <u>168,593</u> | <u>41,127</u> | <u>2,894,085</u> |
| Total liabilities and fund balance | <u>\$ 935,719</u> | <u>\$ 526,121</u> | <u>\$ 102,020</u> | <u>\$ 1,121,801</u> | <u>\$ 947,766</u> | <u>\$ 328,813</u> | <u>\$ 46,398</u> | <u>\$ 4,008,638</u> |

Notes on Exhibit A-9 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

June 30, 2010

Total net assets reported for governmental activities in the statement of net assets are different because:

| | | |
|---|----|--------------------|
| Total fund balances - governmental funds (Exhibit A-2) | \$ | 2,894,085 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds | | 6,972,966 |
| Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | |
| Accrued interest payable | \$ | (12,414) |
| Bonds and capital lease payable | | <u>(4,508,110)</u> |
| | | <u>(4,520,524)</u> |
| Net assets of governmental activities (Exhibit A) | \$ | <u>5,346,527</u> |

Notes on Exhibit A-9 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the year ended June 30, 2010

| | General | Ad Valorem 2 Tax Fund | Civic Center Operating Fund | Parish-wide Sales and Use Tax | Sales and Use Tax | Code Enforcement Grant | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|--------------------------|-----------------------------------|-------------------------------------|----------------------|------------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ 969,745 | 1,417,783 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,387,528 |
| Sales | - | - | - | 1,873,005 | 978,468 | - | - | 2,851,473 |
| Other | 40,477 | - | - | - | - | - | - | 40,477 |
| Intergovernmental | 678,797 | - | 296,408 | - | - | 91,488 | - | 1,066,693 |
| Licenses and permits | 178,936 | - | - | - | - | 107,875 | - | 286,811 |
| Fines | 579,913 | - | - | - | - | - | - | 579,913 |
| Other | 134,360 | - | 31,112 | - | - | - | 3 | 165,475 |
| Total revenues | <u>2,582,228</u> | <u>1,417,783</u> | <u>327,520</u> | <u>1,873,005</u> | <u>978,468</u> | <u>199,363</u> | <u>3</u> | <u>7,378,370</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | 1,564,730 | - | - | - | - | 418,756 | - | 1,983,486 |
| Public safety | 1,655,933 | - | - | - | - | - | - | 1,655,933 |
| Streets and sanitation | 1,880,752 | - | - | - | - | - | - | 1,880,752 |
| Social and recreational services | 194,453 | - | 558,603 | - | - | - | - | 753,056 |
| Debt service | - | - | 264,144 | - | - | - | 186,863 | 451,007 |
| Total expenditures | <u>5,295,868</u> | <u>-</u> | <u>822,747</u> | <u>-</u> | <u>-</u> | <u>418,756</u> | <u>186,863</u> | <u>6,724,234</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,713,640)</u> | <u>1,417,783</u> | <u>(495,227)</u> | <u>1,873,005</u> | <u>978,468</u> | <u>(219,393)</u> | <u>(186,860)</u> | <u>654,136</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | 2,275,000 | - | 410,000 | - | - | 260,000 | 50,192 | 2,995,192 |
| Donation | 349,855 | - | - | - | - | - | - | 349,855 |
| Transfers out | - | (1,195,192) | - | (1,975,000) | (485,000) | - | - | (3,655,192) |
| Total other financing sources (uses) | <u>2,624,855</u> | <u>(1,195,192)</u> | <u>410,000</u> | <u>(1,975,000)</u> | <u>(485,000)</u> | <u>260,000</u> | <u>50,192</u> | <u>(310,145)</u> |
| Net change in fund balance | (88,785) | 222,591 | (85,227) | (101,995) | 493,468 | 40,607 | (136,668) | 343,991 |
| FUND BALANCE | | | | | | | | |
| Beginning of year, as restated | <u>128,763</u> | <u>303,530</u> | <u>133,926</u> | <u>1,223,796</u> | <u>454,298</u> | <u>127,986</u> | <u>177,795</u> | <u>2,550,094</u> |
| End of year | <u>\$ 39,978</u> | <u>\$ 526,121</u> | <u>\$ 48,699</u> | <u>\$ 1,121,801</u> | <u>\$ 947,766</u> | <u>\$ 168,593</u> | <u>\$ 41,127</u> | <u>\$ 2,894,085</u> |

Notes on Exhibit A-9 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2010

The change in net assets reported for governmental activities in the statement of activities is different because:

| | | |
|--|----|---------|
| Net change in fund balances - total governmental funds (Exhibit A-4) | \$ | 343,991 |
|--|----|---------|

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation.

| | | |
|----------------------|------------------|-----------|
| Capital outlay | \$ 383,273 | |
| Depreciation expense | <u>(594,317)</u> | (211,044) |

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.

| | |
|----------------------------|---------|
| Principal payments on debt | 291,300 |
|----------------------------|---------|

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|--|---------------|
| Accrued interest payable, change during 2010 | <u>15,445</u> |
|--|---------------|

| | | |
|---|----|-----------------------|
| Change in net assets of governmental activities (Exhibit A-1) | \$ | <u><u>439,692</u></u> |
|---|----|-----------------------|

**CITY OF ST. GABRIEL, LOUISIANA
PROPRIETARY FUND - SEWER FUND**

STATEMENT OF NET ASSETS

June 30, 2010

ASSETS

Current assets:

| | |
|---------------------------|----------------|
| Cash and cash equivalents | \$ 1,157 |
| Accounts receivable, net | 9,023 |
| Restricted cash | <u>143,534</u> |
| Total current assets | <u>153,714</u> |

Noncurrent assets:

| | |
|-------------------------|---------------------|
| Capital assets: | |
| Non-depreciable | 60,000 |
| Depreciable, net | <u>8,328,206</u> |
| Total noncurrent assets | <u>8,388,206</u> |
| Total assets | <u>\$ 8,541,920</u> |

LIABILITIES

Current liabilities:

| | |
|---------------------------|----------------|
| Accounts payable | \$ 6,059 |
| Accrued expenses | 17,790 |
| Due to other funds | 346,876 |
| Bonds payable | <u>43,498</u> |
| Total current liabilities | <u>414,223</u> |

Noncurrent liabilities:

| | |
|------------------------------|------------------|
| Bonds payable | <u>2,989,914</u> |
| Total noncurrent liabilities | <u>2,989,914</u> |
| Total liabilities | <u>3,404,137</u> |

NET ASSETS

| | |
|--|---------------------|
| Investment in capital assets, net of related debt | 5,354,794 |
| Restricted for: | |
| Debt service | 143,534 |
| Unrestricted deficit | <u>(360,545)</u> |
| Total net assets | <u>5,137,783</u> |
| Total liabilities and net assets | <u>\$ 8,541,920</u> |

Notes on Exhibit A-9 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA
PROPRIETARY FUND - SEWER FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

For the year ended June 30, 2010

OPERATING REVENUES

| | |
|--------------------------|----------------|
| Charges for services | \$ 128,357 |
| Miscellaneous | <u>80</u> |
| Total operating revenues | <u>128,437</u> |

OPERATING EXPENSES

| | |
|--------------------------|----------------|
| Personnel | 253,938 |
| Depreciation | 280,346 |
| Utilities | 87,776 |
| Supplies | 97,880 |
| Chemicals | 19,783 |
| Maintenance | 56,777 |
| Vehicle fuel | 17,081 |
| Insurance | 54,285 |
| Other | <u>67,766</u> |
| Total operating expenses | <u>935,632</u> |
| Operating loss | (807,195) |

NON-OPERATING EXPENSES

| | |
|-----------------------|------------------|
| Interest expense | <u>(135,392)</u> |
| Loss before transfers | (942,587) |
| Transfers in | <u>660,000</u> |
| Net loss | (282,587) |

NET ASSETS

| | |
|--------------------------------|----------------------------|
| Beginning of year, as restated | <u>5,420,370</u> |
| End of year | <u><u>\$ 5,137,783</u></u> |

Notes on Exhibit A-9 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA
PROPRIETARY FUND - SEWER FUND**

STATEMENT OF CASH FLOWS

For the year ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|------------------|
| Receipts from customers | \$ 133,374 |
| Payments to suppliers | (401,348) |
| Payments to employees | <u>(253,938)</u> |
| Net cash used for operating activities | <u>(521,912)</u> |

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

| | |
|---|------------------|
| Principal paid on capital debt | (73,842) |
| Interest paid on capital debt | <u>(135,392)</u> |
| Net cash used by capital and related financing activities | <u>(209,234)</u> |

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

| | |
|--|----------------|
| Transfers in from other funds | 660,000 |
| Payments on loans due to other funds | <u>101,145</u> |
| Net cash provided by noncapital and related financing activities | <u>761,145</u> |
| Net increase in cash | 29,999 |

CASH

| | |
|---------------------|--------------------------|
| Beginning of period | <u>114,692</u> |
| End of period | <u><u>\$ 144,691</u></u> |

RECONCILIATION OF CASH

| | |
|---------------------------|--------------------------|
| Cash and cash equivalents | \$ 1,157 |
| Restricted cash | <u>143,534</u> |
| Total cash | <u><u>\$ 144,691</u></u> |

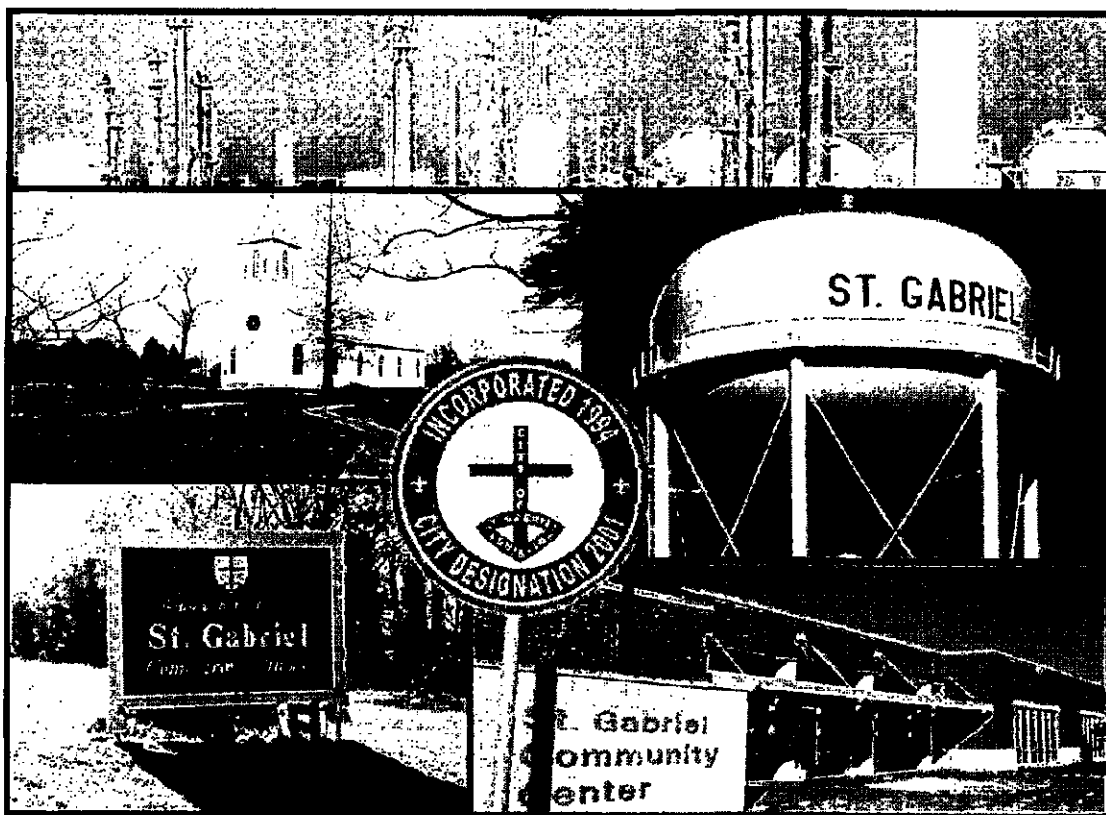
**RECONCILIATION OF OPERATING LOSS TO
NET CASH USED FOR OPERATING ACTIVITIES:**

| | |
|---|----------------------------|
| Operating loss | \$ (807,195) |
| Adjustments of operating loss: | |
| Depreciation | 280,346 |
| Change in operating assets and liabilities: | |
| Accounts receivable | <u>4,937</u> |
| Net cash used for operating activities | <u><u>\$ (521,912)</u></u> |

Notes on Exhibit A-9 are an integral part of this statement.

Welcome to the
Municipal City of St. Gabriel

City of St. Gabriel, Louisiana



City of St. Gabriel, Louisiana

"No matter where you are going, you can get there from St. Gabriel."

CITY OF ST. GABRIEL, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

The financial statements of the City of St. Gabriel, Louisiana (the City) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The more significant accounting policies established in GAAP and used by the City are described below.

The financial statements comply with GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the City’s activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

Reporting Entity

These financial statements present the City as the primary government. For financial reporting purposes, the City is controlled by or dependent on the City’s executive or legislative branches (the Mayor or the City Council, respectively). Control by or dependence on the City is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general obligations of the City, obligations of the City to finance any deficits that may occur, or receipt of significant subsidies from the City.

As the municipal governing authority, for reporting purposes, the City is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary municipal government, and where applicable (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

The criteria for determining which component units should be considered part of the City for financial reporting purposes are as follows:

- Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name;
- Whether the City governing authority (the Council and/or Mayor) appoints a majority of board members of the potential component unit;
- Fiscal interdependency between the City and the potential component unit;
- Imposition of will by the City on the potential component unit; and
- Financial benefit/burden relationship between the City and the potential component unit.

As required by generally accepted accounting principles, these financial statements present the City; there are no component units to be included either blended within the City's funds or discretely presented in these financial statements.

Basis of Presentation

The City's basic financial statements consist of the government-wide statements of the primary government (the City) and the fund financial statements (individual major funds and combined non-major funds). The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all non-fiduciary activities of the City. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Business type activities are financed in whole or part by fees charged to external parties for utility services provided. The City's sewer services are classified as business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds by category or fund type are summarized into a single column.

The daily operations of the City continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The City does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City (the general fund) or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds and account groups of the primary government presented in the financial statements are described as follows:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Governmental Fund Types

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the City are accounted for through governmental funds. Measurement is focused upon determining changes in financial position rather than net income. The following are the governmental fund types of the City:

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always a major fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds that are considered major funds are the Ad Valorem No. 2 Tax Fund, the Civic Center Operating Fund, the Parish-wide Sales and Use Tax Fund, the Sales and Use Tax Fund, and the Code Enforcement Grant Fund.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The debt service fund is not considered a major fund.

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). None of the capital projects funds are considered major funds.

Proprietary Fund Types

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise Funds - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's enterprise fund has been considered a major fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Government-wide financial statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Ad Valorem taxes are recognized in the year for which they are assessed.

Fund financial statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues, are recorded as earned since they are measurable and available.

Non-exchange transactions, in which the City receives value without directly giving value in return, include sales tax, ad valorem tax, and federal and state aid and grants.

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December, January and February of the current fiscal year. Furthermore, the City budgets use of ad valorem taxes on a fiscal year basis. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the City is entitled to the funds, generally corresponding to when grant-related costs are incurred by the City, but subject to the availability criteria.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments and compensated absences, which are recorded as expenditures in the governmental fund when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable party gives and receives. Revenues resulting from the exchange transactions, in which each party gives and receives essentially equal value, is reconciled on the accrual basis when the exchange takes place.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents for the City include the Louisiana Asset Management Pool (LAMP) account and each individual fund's share of the consolidated operating cash accounts.

Consolidated bank accounts have been established for the City into which substantially all monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of the consolidation of bank accounts was to provide administrative efficiency and to maximize investment earnings. The accounts entitled "Cash and Cash Equivalents" is therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account plus its' pro rata share of investments made through the investment of excess cash. Investment earnings are recorded in the general fund.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the City is governed by state statutes that include depository and custodial contract provisions. The City invests funds in accordance with L.R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States treasury bonds, treasury notes, treasury bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the City has a custodial agreement. The City primarily utilizes the Louisiana Asset Management Pool to invest idle funds and records amounts invested at fair value.

For purposes of the Statement of Cash Flows, liquid investments of the enterprise fund with a maturity of three months or less are considered to be cash equivalents. Also, see Note 2.

Accounts Receivable and Bad Debts

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. For governmental activities, uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. In business-type activities, uncollectible amounts due from sewer billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of approximately \$118,357 was recorded at June 30, 2010.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables/Payables

During the course of operations numerous transactions occur between individual funds. Those related to short-term borrowings are classified as “due from other funds” or “due to other funds” on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Notes 9 and 10 for details of interfund transactions, including receivables and payables at year-end. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Restricted Cash

Restricted cash represents amounts which have been designated for debt service reserves and to meet unexpected contingencies for property repairs and replacements. Restricted cash consisted of \$264,534 as of June 30, 2010.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

The accounting treatment of property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized at completion of the construction projects. The City’s capitalization policy stipulates a capitalization threshold of \$1,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Improvements are capitalized.

Prior to the implementation of GASB No. 34, governmental funds’ infrastructure assets were not capitalized. These assets are comprised of the streets maintained by the City and have been valued at estimated historical cost.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|-------------------------|-------------|
| Buildings | 25-40 years |
| Improvements | 15-30 years |
| Machinery and equipment | 5-20 years |
| Utility system | 5-50 years |
| Infrastructure | 20-40 years |

Fund Financial Statements

In the fund financial statements fixed assets used in governmental fund operations are not capitalized. Instead, capital acquisition and construction are reflected as expenditures in the governmental funds.

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

| | |
|-------------------------|-------------|
| Sewer treatment systems | 10-40 years |
| Sewer pump station | 20 years |

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide Statement of Net Assets and in the proprietary fund types' financial statements, long-term debt is reported as a liability. Bond issuance costs are reported as deferred charges and amortized over the term of the bond. The long-term debt consists primarily of public improvement bonds, certificates of indebtedness for public improvements, and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary fund debt is the same in the fund financial statements as it is in the government-wide financial statements. The City is not obligated for any special assessment debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

All full-time employees of the City are entitled to annual paid vacation and sick leave. Prior to 2002, vacation leave carried over from one year to another without limitation and vacation leave unused upon termination or retirement was paid to the employee. During 2002, the City adopted new leave policies whereby accumulated unused vacation leave earned subsequent to the policy change would be forfeited at the end of the City's fiscal year. Additionally, sick leave may be accumulated up to 60 days. However, unused sick leave is forfeited upon retirement or termination and has not been reflected in these financial statements.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it's the Council's policy to use restricted resources first, then unrestricted resources as they are needed.

Reserves and Designations of Equity

Some portions of fund balance and/or retained earnings are reserved to indicate that a portion of equity is legally restricted to a specific future use and is not available for appropriation or expenditure. Designated portions of fund balance and/or retained earnings indicate tentative future spending plans which may be changed and are subject to subsequent authorization before expenditures can be made. The City has made the following reserves and designations of equity: (a) *Designated for subsequent year's expenditures* is that portion of fund balance which has been budgeted to balance the following years' budgets, and (b) other designations are made for specific indicated purposes included in the title.

Interfund Transfers

Transfers between funds are included in the budgets of such funds. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts.

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the City Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget. The City follows the requirements of Louisiana Budget Law. The City is required to adopt its budget prior to June 30. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the City Council.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy and Budgetary Accounting (continued)

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service, capital projects, and enterprise funds. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the City Council and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund as reflected in the legally adopted budget.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation, prepaid insurance, and deferred revenue.

Change in Accounting Principle

For 2009, the City of St. Gabriel has implemented GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the City of St. Gabriel.

NOTE 2 - CASH AND INVESTMENTS

The City may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2010, the City's deposits were not exposed to any custodial risk.

As of June 30, 2010 the City had a balance of \$775,808 invested in LAMP.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The value of the portfolio is carried at amortized cost.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2010, consists of the following:

Primary Government:

| | |
|--|-------------------|
| Parish of Iberville, Louisiana - sales tax | \$ 507,868 |
| United States Department of Homeland Security - Hurricane Gustav | 148,905 |
| State of Louisiana - video poker and grants | 100,374 |
| State of Louisiana - Code Enforcement Grant | <u>111,298</u> |
| Total primary government | <u>\$ 868,445</u> |

(continued)

NOTE 4 - AD VALOREM TAXES

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (L.R.S. 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All property taxes are recorded in governmental funds as explained in Note 1 above. Revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are considered available because they are substantially collected during the fiscal year and are therefore available to liquidate liabilities of the current period.

The property tax calendar is as follows:

| | |
|-----------------------|---------------------------------------|
| Millage rates adopted | September 17, 2009 |
| Levy date | September 17, 2009 |
| Due date | December 31, 2009 |
| Lien date | January 1, 2010 |
| Collection dates | December 1, 2009 to February 28, 2010 |

Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (La.R.S. 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (La.R.S. 47:2181). Therefore, there are no delinquent taxes at year end.

For the year ended June 30, 2010, taxes of 15.88 mills were levied for general government and public purposes on property with assessed valuations totaling \$149,404,610. Total taxes levied were \$2,387,528. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before December 31 of the current year, and become delinquent thereafter.

The City collected ad valorem taxes of \$1,755,200 from ten property owners during the year ended June 30, 2010. Tax collections from four of the ten taxpayers amounted to \$1,409,281.

(continued)

NOTE 5 - FIXED ASSETS

General Fixed Assets

A summary of changes in general fixed assets for the year ended June 30, 2010, is as follows:

| | Beginning Balance | Increases | Ending Balance |
|--|----------------------|---------------------|---------------------|
| Governmental activities: | | | |
| Capital assets not being depreciated: | | | |
| Land | \$ 442,324 | \$ - | \$ 442,324 |
| Total capital assets, not being depreciated | <u>442,324</u> | <u>-</u> | <u>442,324</u> |
| Capital assets being depreciated: | | | |
| Buildings and improvements | 5,316,513 | 235,303 | 5,551,816 |
| Equipment and vehicles | 3,005,248 | 147,970 | 3,153,218 |
| Infrastructure | 1,979,322 | - | 1,979,322 |
| Total capital assets being depreciated | <u>10,301,083</u> | <u>383,273</u> | <u>10,684,356</u> |
| Less accumulated depreciation for: | | | |
| Buildings and improvements | 597,198 | 147,648 | 744,846 |
| Equipment and vehicles | 2,284,722 | 275,722 | 2,560,444 |
| Infrastructure | 677,477 | 170,947 | 848,424 |
| Total accumulated depreciation | <u>3,559,397</u> | <u>594,317</u> | <u>4,153,714</u> |
| Total capital assets, being depreciated, net | <u>6,741,686</u> | <u>(211,044)</u> | <u>6,530,642</u> |
| Governmental activities capital assets, net | <u>\$ 7,184,010</u> | <u>\$ (211,044)</u> | <u>\$ 6,972,966</u> |
| Business Activities: | | | |
| Capital assets not being depreciated: | | | |
| Land | \$ 60,000 | \$ - | \$ 60,000 |
| Total capital assets, not being depreciated | <u>60,000</u> | <u>-</u> | <u>60,000</u> |
| Capital assets being depreciated: | | | |
| Sewer treatment plants | 9,965,143 | - | 9,965,143 |
| Sewer pump station | 189,961 | - | 189,961 |
| Total capital assets being depreciated | <u>10,155,104</u> | <u>-</u> | <u>10,155,104</u> |
| Less accumulated depreciation for: | | | |
| Sewer treatment plants | 1,503,215 | 272,207 | 1,775,422 |
| Sewer pump station | 43,337 | 8,139 | 51,476 |
| Total accumulated depreciation | <u>1,546,552</u> | <u>280,346</u> | <u>1,826,898</u> |
| Total capital assets being depreciated, net | <u>8,608,552</u> | <u>(280,346)</u> | <u>8,328,206</u> |
| Business-type activities capital assets, net | <u>\$ 8,668,552</u> | <u>\$ (280,346)</u> | <u>\$ 8,388,206</u> |

NOTE 5 - FIXED ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|--|-------------------|
| Governmental activities: | |
| Streets and sanitation | \$ 222,347 |
| Recreation | 161,768 |
| Public safety | 122,248 |
| General government | <u>87,954</u> |
| Total depreciation expense - governmental activities | <u>\$ 594,317</u> |

NOTE 6 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of debt transactions of the City for the year ended June 30, 2010:

| | Balance Beginning of Year, (as restated) | Deletions | Balance End of Year | Due Within One Year |
|----------------------------------|---|-------------------|---------------------------|------------------------|
| Governmental activities: | | | | |
| Public improvement | \$ 4,555,987 | \$ 55,407 | \$ 4,500,580 | \$ 66,132 |
| Certificate of indebtedness | 182,750 | 182,750 | - | - |
| Capital leases | <u>60,673</u> | <u>53,143</u> | <u>7,530</u> | <u>7,530</u> |
| | <u>\$ 4,799,410</u> | <u>\$ 291,300</u> | <u>\$ 4,508,110</u> | <u>\$ 73,662</u> |
| Business-type activities: | | | | |
| Revenue bonds | <u>\$ 3,107,254</u> | <u>\$ 73,842</u> | <u>\$ 3,033,412</u> | <u>\$ 43,498</u> |

Beginning balance in public improvement bonds was restated due to a prior period adjustment. See Note 15.

(continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt obligations for the primary government at June 30, 2010, are comprised of the following:

Governmental Activities

| | |
|--|---------------------|
| \$4,980,000 Civic Center Revenue Bond secured by a pledge and dedication of sales tax revenues, due in monthly installments of \$22,012 through October 7, 2045; interest at 4.375%. | \$ 4,500,580 |
| Capital lease agreement secured by backhoe, used by the streets and Sanitation Department of the General Fund; due in monthly installments of \$1,104 through 2011; interest at 8.00%. The carrying value of the related equipment is \$10,800, at June 30, 2010. (\$45,535 cost less \$34,735 accumulated depreciation). | 7,530 |
| Total long-term debt from governmental activities | <u>\$ 4,508,110</u> |

Enterprise Fund

Revenue Bonds:

| | |
|--|---------------------|
| \$1,237,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$5,617 through December 15, 2040; interest at 4.50 %. | \$ 1,115,642 |
| \$532,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,416 through June 6, 2041; interest at 4.50 %. | 483,465 |
| \$1,064,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, initial annual interest payments of \$47,880 due on December 18, 2004 and 2005, thereafter in monthly installments of \$4,884 through December 18, 2043; interest at 4.50 %. | 1,011,017 |
| \$444,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$1,980 through February 23, 2045; interest at 4.50%. | <u>423,288</u> |
| Total long-term debt from business-type activities | <u>\$ 3,033,412</u> |

(continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at June 30, 2010, are as follows:

| Year | Capital Leases | | Civic Center Revenue Bond | | Total Governmental Long-term debt | |
|-----------|-----------------|---------------|---------------------------------|---------------------|---|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2011 | \$ 7,530 | \$ 200 | \$ 66,132 | \$ 198,014 | \$ 73,662 | \$ 198,214 |
| 2012 | - | - | 69,080 | 202,346 | 69,080 | 202,346 |
| 2013 | - | - | 72,166 | 191,978 | 72,166 | 191,978 |
| 2014 | - | - | 75,387 | 188,757 | 75,387 | 188,757 |
| 2015 | - | - | 78,752 | 185,392 | 78,752 | 185,392 |
| 2016-2020 | - | - | 449,737 | 870,983 | 449,737 | 870,983 |
| 2021-2025 | - | - | 559,484 | 761,236 | 559,484 | 761,236 |
| 2026-2030 | - | - | 696,012 | 624,708 | 696,012 | 624,708 |
| 2031-2035 | - | - | 865,857 | 454,863 | 865,857 | 454,863 |
| 2036-2040 | - | - | 1,077,148 | 243,571 | 1,077,148 | 243,571 |
| 2041-2045 | - | - | 490,825 | 27,360 | 490,825 | 27,360 |
| | <u>\$ 7,530</u> | <u>\$ 200</u> | <u>\$ 4,500,580</u> | <u>\$ 3,949,208</u> | <u>\$ 4,508,110</u> | <u>\$ 3,949,408</u> |

| Year | Business-type Activities | | | |
|-----------|---------------------------|---------------------|--|---------------------|
| | Sewer Revenue Bonds | | Total Business-type Long-term debt | |
| | Principal | Interest | Principal | Interest |
| 2011 | \$ 43,498 | \$ 135,266 | \$ 43,498 | \$ 135,266 |
| 2012 | 45,492 | 133,272 | 45,492 | 133,272 |
| 2013 | 47,502 | 131,192 | 47,502 | 131,192 |
| 2014 | 49,688 | 129,006 | 49,688 | 129,006 |
| 2015 | 51,968 | 126,726 | 51,968 | 126,726 |
| 2016-2020 | 298,125 | 595,695 | 298,125 | 595,695 |
| 2021-2025 | 372,603 | 521,217 | 372,603 | 521,217 |
| 2026-2030 | 466,832 | 426,988 | 466,832 | 426,988 |
| 2031-2035 | 584,071 | 309,749 | 584,071 | 309,749 |
| 2036-2040 | 730,769 | 163,051 | 730,769 | 163,051 |
| 2041-2045 | 342,864 | 27,361 | 342,864 | 27,361 |
| | <u>\$ 3,033,412</u> | <u>\$ 2,699,523</u> | <u>\$ 3,033,412</u> | <u>\$ 2,699,523</u> |

(continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Normally debt issues are not retired prior to their maturity. For accounting purposes, interest coupons issued in connection with the sale of various bond issues become obligations/expenditures of the City only with the passage of time and they represent fixed and determinable obligations which must be retired from future revenues.

There are no outstanding bonds secured by ad valorem taxes of the City at this time.

Bond Restrictions

Sewer Revenue Bonds – Phase I, II, III, and IV

In accordance with the indenture governing Sewerage Utility Fund Revenue Bonds, Series 2000, 2001, 2002, and 2003 cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Sewerage Enterprise fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each debt issue.

1. The Sewer System Revenue fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts. In addition, the series 2000, 2001, 2002, and 2003 bonds require the use of a separate construction account.
2. The Sewer Revenue Bond and Interest Sinking funds require monthly fund transfers from the Sewer System Revenue fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve funds require monthly transfers until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. These funds are restricted to payment of principal and interest in case of default. Monthly transfers are \$281, \$121, \$244, and \$99. At June 30, 2010, \$51,491 and \$20,276 was held in these reserve accounts.
4. The Sewer Depreciation and Contingency funds require monthly transfers of \$281, \$121, \$244, and \$99. The funds are restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. The funds will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond and Interest Sinking funds, or Sewer Revenue Bond Reserve funds. At June 30, 2010, \$51,491 and \$20,276 was held in these reserve accounts.

Sewer revenue bonds are secured by a pledge of sewer revenues through 2045. The sewer revenue bonds were issued for the purpose of funding the construction of wastewater treatment facilities. During 2010, the City received approximately \$128,000 in sewer revenues. The bonds debt service for 2010 was approximately \$179,000. The shortfall was funded by transfers from the City's parish-wide sales and use tax fund.

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Civic Center Revenue Bonds

In accordance with the indentures governing Civic Center Revenue bonds, Series 2003, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Civic Center Special Revenue fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Civic Center Revenue bonds require all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Civic Center Revenue Bond Reserve fund requires monthly transfers ranging from \$1,100 until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. This fund is restricted to payment of principal and interest in case of default.
3. The Civic Center Depreciation and Contingency funds require monthly transfers of \$1,100. The funds are restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Civic Center Revenue fund.

The Civic Center Revenue bonds are secured from a pledge of the City's 1% sales and use tax. During 2010, the City collected approximately \$978,000 in sales and use tax proceeds with approximately \$260,000 used to fund current debt service until retirement through 2045. The debt was issued for the purpose of funding the construction of a community center. Excess sales tax revenues over debt service requirements are available for use as stipulated by the tax dedication and determined by the City.

Legal Debt Margin

Computation for legal debt margin for general obligation bonds is as follows:

| | |
|---|-----------------------|
| Ad Valorem taxes - assessed valuation | <u>\$ 149,404,610</u> |
| Debt limit: 10% of assessed valuation (for any one purpose) | <u>\$ 14,940,461</u> |
| Debt limit: 35% of assessed valuation (aggregate, all purposes) | <u>\$ 51,858,672</u> |

NOTE 7 - DEDICATED REVENUES (CONTINUED)

Ad Valorem Tax

A 9.43 mills ad valorem tax was levied in September, 2009. The tax is dedicated for public improvements including, but not limited to, housing, economic development, and funding for a community center. Dedicated ad valorem taxes of \$1,417,783 were collected during the year ended June 30, 2010.

Sales and Use Tax

A one-third of one percent sales and use tax is dedicated for public purposes, including, but not limited to, sewer and wastewater facilities, water and fire protection, streets, sidewalks, bridges and drainage and other capital expenditures, including operating and maintenance costs related thereto. The City received \$978,468 from sales and use tax during the year ended June 30, 2010.

Parish-wide Sales Tax

A two percent parish-wide sales tax is dedicated for public infrastructure and maintenance. The City received \$1,873,005 from parish-wide sales tax during the year ended June 30, 2010. The tax is collected on a parish-wide basis in Iberville Parish and shared with certain municipalities in the Parish on a pro-rata basis based on populations.

NOTE 8 - PENSION AND RETIREMENT PLANS

State of Louisiana Municipal Employees' Retirement System

Plan Description – Substantially all employees of the City are members of the State of Louisiana Municipal Employees' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, each with separate assets and benefit provisions. All employees of the City are members of Plan A.

All permanent employees working at least 35 hours per week who are paid wholly or in part from City funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary multiplied for each year of creditable service. Monthly retirement benefits paid under Plan A cannot exceed the lesser of 100 percent of final-average salary or \$70 multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810. Their web site is www.mersla.com.

Funding Policy – Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 13.5 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the ad valorem taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by L.R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the system under Plan A for the years ended June 30, 2010, 2009 and 2008 were \$185,841, \$157,132, and \$111,338, respectively, and were equal to the statutorily required contributions for each year.

Municipal Police Employees' Retirement System

Plan Description – Police department employees of the City are members of the Municipal Police Employees Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent full-time police officers who are paid wholly or in part from City police department funds are required to participate in the System.

Under the plan, officers who retire at or after age 55 with at least 12 years of creditable service, or at or after age 50 with at least 20 years of creditable service, or any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 and 1/3 percent of their final-average salary multiplied for each year of creditable service not to exceed 100 percent of final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809-7601, or by calling (225) 929-7411. Their web site is www.lampers.org.

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Funding Policy – Under the plan, members are required to contribute 7.5 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 11 percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the system under the plan for the years ended June 30, 2010, 2009 and 2008 were \$56,729, \$39,622, and \$42,502, respectively, and were equal to the statutorily required contributions for each year.

Firefighters' Retirement System

Plan Description – Fire department employees of the City are members of the Firefighters' Retirement System (System), a state-wide cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent full-time fire department employees who are paid wholly or in part from the City's fire department funds are eligible to participate in the System.

Under the plan, employees who retire at or after age 55 with at least 12 years of creditable service, or at or after age 50 with at least 20 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average compensation based on 36 consecutive months of highest pay multiplied for each year of creditable service not to exceed 100 percent of their final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060. Their web site is lafirefightersret.com.

Funding Policy – Under the plan, members are required by state statute to contribute 8 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System under the plan for the years ended June 30, 2010, 2009 and 2008, were \$20,337, \$14,984, and \$13,473, respectively, and were equal to the statutorily required contributions for each year.

NOTE 9 - INTERFUND TRANSFERS

Operating Transfers

Operating transfers for the year ended June 30, 2010, were as follows:

| | Transfers | |
|--------------------------------------|---------------------|---------------------|
| | In | Out |
| Governmental Activities: | | |
| General | | |
| Sales and Use Tax | \$ 350,000 | \$ - |
| Ad Valorem Tax #2 | 325,000 | - |
| Sales and Use Tax – Parish-wide | 1,600,000 | - |
| Sales and Use Tax | | |
| General | - | 350,000 |
| Sewer | - | 100,000 |
| Code Enforcement Grant | - | 35,000 |
| Sales and Use Tax Fund – Parish-wide | | |
| General | - | 1,600,000 |
| Sewer | - | 275,000 |
| Code Enforcement Grant | - | 100,000 |
| Ad Valorem Tax #2 | | |
| Civic Center Operating | - | 410,000 |
| Debt Service - Roads | - | 50,192 |
| General | - | 325,000 |
| Sewer | - | 285,000 |
| Code Enforcement Grant | - | 125,000 |
| Code Enforcement | | |
| Sales and Use Tax | 35,000 | - |
| Sales and Use Tax – Parish-wide | 100,000 | - |
| Ad Valorem Tax #2 | 125,000 | - |
| Civic Center Operating | | |
| Ad Valorem Tax #2 | 410,000 | - |
| Debt Service | | |
| Ad Valorem Tax #2 | 50,192 | - |
| Total governmental activities | <u>2,995,192</u> | <u>3,655,192</u> |
| Business-type Activities: | | |
| Sewer | | |
| Sales tax | 100,000 | - |
| Ad Valorem tax fund #2 | 285,000 | - |
| Sales and Use Tax Fund – Parish-wide | 275,000 | - |
| Total business-type activities | <u>660,000</u> | <u>-</u> |
| Total primary government | <u>\$ 3,655,192</u> | <u>\$ 3,655,192</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 10 - INTERFUND RECEIVABLE AND BALANCES

| | Interfund | |
|---|-------------------|-------------------|
| | Receivable | Payable |
| Governmental activities: | | |
| General Fund | | |
| Civic Center Operating Fund | \$ 49,235 | \$ - |
| Sewer Fund | 71,876 | - |
| Code Enforcement Grant Fund | 129,165 | - |
| Ad Valorem Tax Fund #2 | - | 310,049 |
| Parish-wide Sales Tax Fund | - | 101,034 |
| Recreational Parks Capital Project Fund | 5,271 | - |
| Ad Valorem tax fund #2 | | |
| General Fund | 310,049 | - |
| Parish-wide Sales and Use Tax fund | | |
| General Fund | 101,034 | - |
| Road Improvement Capital Project Fund | 275,000 | - |
| Civic Center Operating Fund | | |
| General Fund | - | 49,235 |
| Code Enforcement Grant Fund | | |
| General Fund | - | 129,165 |
| Recreational Parks Capital Project Fund | | |
| General Fund | - | 5,271 |
| Business-type activities: | | |
| Sewer | | |
| Parish-wide Sales Tax Fund | - | 275,000 |
| General Fund | - | 71,876 |
| Total primary government | \$ 941,630 | \$ 941,630 |

NOTE 11 - COMPENSATION TO THE GOVERNING BODY

The City's elected officials' terms expire on June 30, 2010. The City compensated its Mayor and members of the City Council as follows:

| | |
|-------------------------|-------------------|
| Mayor: | |
| George L. Grace, Sr. | \$ 70,296 |
| City Council: | |
| Deborah R. Alexander | 13,000 |
| Flora J. Danielfield | 13,000 |
| Freddie C. Frazier, Sr. | 13,000 |
| Melvin Hasten, Sr. | 13,000 |
| Ralph Johnson, Sr. | 13,000 |
| | <u>\$ 135,296</u> |

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Suits and Claims

Various suits and claims arising in the ordinary course of operations are pending against the City. The majority of the cases are either covered by insurance or other defenses; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the City's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the City.

Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the past four years.

Grants

The City receives state and local grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of City management that its compliance with the terms of grants will result in negligible, if any, disallowed costs.

Environment Contingencies

Management of the City is not aware of any unrecorded material commitments or contingent environmental liabilities. Environmental contingencies have been mitigated by testing of the sewer systems on a regular basis and providing test results to the proper environmental authorities.

Cash

The City typically maintains cash and temporary investments in local banks that may, at times, exceed the FDIC insured limits of \$250,000. Amounts in excess of the FDIC limits are required by law to be collateralized by securities pledged by the bank.

NOTE 13 - SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 21, 2010, the date the financial statements were available to be issued.

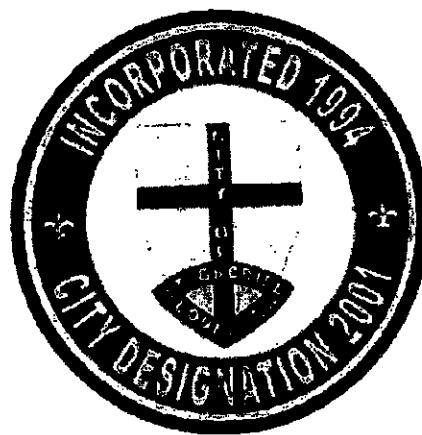
On July 7, 2010, Mayor George L. Grace was indicted on various federal charges. Mayor Grace pled innocent to these charges in U.S. District Court. It is the opinion of City management that these charges, and the events leading to the indictment, did not have an effect on the financial activities of the City or the information included in the financial statements.

NOTE 14 - PRIOR PERIOD ADJUSTMENT

During 2010, the City discovered an error in the recording of transactions in previous periods. The change resulted in an increase in the fund balances of the government and proprietary funds and net assets on the government-wide basis. Changes to these balances are as follows:

| | <u>Government-wide Governmental Activities</u> | <u>Business- Type Activities</u> |
|---|--|--------------------------------------|
| Net assets, beginning of year, as previously stated: | \$ 4,813,705 | \$ 5,392,704 |
| Increase for overstatement of long-term debt | 19,213 | - |
| Increase for overstatement of accounts payable | <u>73,917</u> | <u>27,666</u> |
| Net assets - as restated | <u>\$ 4,906,835</u> | <u>\$ 5,420,370</u> |

| | <u>Code Enforcement</u> |
|---|-------------------------|
| Fund balance, beginning of year, as previously stated: | \$ 54,069 |
| Increase for overstatement of accounts payable | <u>73,917</u> |
| Fund balance - as restated | <u>\$ 127,986</u> |



St. Gabriel, Louisiana

St. Gabriel, Louisiana

St. Gabriel, Louisiana



City of St. Gabriel, Louisiana

"No matter where you are going you can get there on Highway 101"

CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2010

| | Original Budget | Final Budget | Actual | Variance - positive (negative) |
|---|----------------------------|-------------------------|--------------------|---|
| REVENUES | | | | |
| Taxes | | | | |
| Ad valorem | \$ 1,075,000 | \$ 970,000 | \$ 969,745 | \$ (255) |
| Other | 44,000 | 44,800 | 40,477 | (4,323) |
| Intergovernmental | 405,000 | 1,312,000 | 678,797 | (633,203) |
| Licenses and permits | 160,000 | 180,000 | 178,936 | (1,064) |
| Fines | 600,000 | 641,000 | 579,913 | (61,087) |
| Other | <u>147,000</u> | <u>167,000</u> | <u>134,360</u> | <u>(32,640)</u> |
| Total revenues | <u>2,431,000</u> | <u>3,314,800</u> | <u>2,582,228</u> | <u>(732,572)</u> |
| EXPENDITURES | | | | |
| Current function | | | | |
| General government | 1,072,200 | 1,412,350 | 1,564,730 | (152,380) |
| Public safety | 1,534,100 | 1,580,000 | 1,655,933 | (75,933) |
| Streets and sanitation | 861,200 | 2,303,200 | 1,880,752 | 422,448 |
| Social and recreational services | <u>159,050</u> | <u>189,350</u> | <u>194,453</u> | <u>(5,103)</u> |
| Total expenditures | <u>3,626,550</u> | <u>5,484,900</u> | <u>5,295,868</u> | <u>189,032</u> |
| Excess of expenditures over revenues | <u>(1,195,550)</u> | <u>(2,170,100)</u> | <u>(2,713,640)</u> | <u>(543,540)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | | | |
| Sales and use tax fund | - | 350,000 | 350,000 | - |
| Ad valorem tax fund #2 | 325,000 | 325,000 | 325,000 | - |
| Donation | - | 350,000 | 349,855 | (145) |
| Parish wide sales and use tax fund | <u>890,000</u> | <u>1,200,000</u> | <u>1,600,000</u> | <u>400,000</u> |
| Total other financing sources (uses) | <u>1,215,000</u> | <u>2,225,000</u> | <u>2,624,855</u> | <u>399,855</u> |
| Net change in fund balance | <u>\$ 19,450</u> | <u>\$ 54,900</u> | (88,785) | <u>\$ (143,685)</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>128,763</u> | |
| End of year | | | <u>\$ 39,978</u> | |

Notes on Exhibits A-9 and B-6 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA
AD VALOREM TAX FUND 2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2010

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance - positive (negative)</u> |
|---|----------------------------|-------------------------|---------------------|---|
| REVENUES | | | | |
| Taxes | | | | |
| Ad valorem | <u>\$ 1,375,000</u> | <u>\$ 1,410,000</u> | <u>\$ 1,417,783</u> | <u>\$ 7,783</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | | | | |
| General fund - streets | (325,000) | (325,000) | (325,000) | - |
| Civic center operating fund | (390,000) | (410,000) | (410,000) | - |
| Sewer | (285,000) | (285,000) | (285,000) | - |
| Debt Service - roads | (185,600) | (50,192) | (50,192) | - |
| Code enforcement | <u>(125,000)</u> | <u>(125,000)</u> | <u>(125,000)</u> | <u>-</u> |
| Total other financing uses | <u>(1,310,600)</u> | <u>(1,195,192)</u> | <u>(1,195,192)</u> | <u>-</u> |
| Excess of revenues over other financing uses | <u>\$ 64,400</u> | <u>\$ 214,808</u> | 222,591 | <u>\$ 7,783</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>303,530</u> | |
| End of year | | | <u>\$ 526,121</u> | |

Notes on Exhibit A-9 and B-6 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA
CIVIC CENTER OPERATING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2010

| | Original Budget | Final Budget | Actual | Variance - positive (negative) |
|---|----------------------------|-------------------------|------------------|---|
| REVENUES | | | | |
| Intergovernmental | \$ 330,000 | \$ 370,000 | \$ 296,408 | \$ (73,592) |
| Other | <u>25,000</u> | <u>25,000</u> | <u>31,112</u> | <u>6,112</u> |
| Total revenues | <u>355,000</u> | <u>395,000</u> | <u>327,520</u> | <u>(67,480)</u> |
| EXPENDITURES | | | | |
| Social and recreational services | 478,000 | 532,400 | 558,603 | (26,203) |
| Debt service | <u>264,144</u> | <u>264,144</u> | <u>264,144</u> | <u>-</u> |
| Total expenditures | <u>742,144</u> | <u>796,544</u> | <u>822,747</u> | <u>(26,203)</u> |
| Deficiency of revenues over expenditures | (387,144) | (401,544) | (495,227) | (93,683) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in - Ad valorem tax fund #2 | <u>390,000</u> | <u>410,000</u> | <u>410,000</u> | <u>-</u> |
| Deficiency of revenues over expenditures and other financing sources | <u>\$ 2,856</u> | <u>\$ 8,456</u> | (85,227) | <u>\$ (93,683)</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>133,926</u> | |
| End of year | | | <u>\$ 48,699</u> | |

Notes on Exhibit A-9 and B-6 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA
PARISH-WIDE SALES AND USE TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2010

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance - positive (negative)</u> |
|--|----------------------------|-------------------------|---------------------|---|
| REVENUES | | | | |
| Taxes | | | | |
| Sales and use taxes | <u>\$ 1,150,000</u> | <u>\$ 1,625,000</u> | <u>\$ 1,873,005</u> | <u>\$ 248,005</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | | | | |
| General Fund | 750,000 | 1,200,000 | 1,600,000 | (400,000) |
| Code Enforcement | 100,000 | 100,000 | 100,000 | - |
| Sewer Fund | <u>275,000</u> | <u>275,000</u> | <u>275,000</u> | <u>-</u> |
| Total other financing uses | <u>1,125,000</u> | <u>1,575,000</u> | <u>1,975,000</u> | <u>(400,000)</u> |
| Excess (deficiency) of revenues over other financing uses | <u>\$ 25,000</u> | <u>\$ 50,000</u> | (101,995) | <u>\$ (151,995)</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>1,223,796</u> | |
| End of year | | | <u>\$ 1,121,801</u> | |

Notes on Exhibits A-9 and B-6 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA
SALES AND USE TAX FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2010

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance - positive (negative)</u> |
|---|----------------------------|-------------------------|-------------------|---|
| REVENUES | | | | |
| Taxes | | | | |
| Sales and use taxes | \$ 500,000 | \$ 800,000 | \$ 978,468 | \$ 178,468 |
| Total revenues | <u>500,000</u> | <u>800,000</u> | <u>978,468</u> | <u>178,468</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | | | | |
| General Fund | 350,000 | 350,000 | 350,000 | - |
| Code Enforcement | 35,000 | 35,000 | 35,000 | - |
| Sewer Fund | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>-</u> |
| Total other financing uses | <u>485,000</u> | <u>485,000</u> | <u>485,000</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures and other financing uses | <u>\$ 15,000</u> | <u>\$ 315,000</u> | 493,468 | <u>\$ 178,468</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>454,298</u> | |
| End of year | | | <u>\$ 947,766</u> | |

Notes on Exhibits A-9 and B-6 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA
CODE ENFORCEMENT GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2010

| | Original Budget | Final Budget | Actual | Variance - positive (negative) |
|--|----------------------------|-------------------------|-------------------|---|
| REVENUES | | | | |
| Intergovernmental | \$ 130,000 | \$ 130,000 | \$ 91,488 | \$ (38,512) |
| Licenses and permits | <u>55,000</u> | <u>105,000</u> | <u>107,875</u> | <u>2,875</u> |
| Total revenues | 185,000 | 235,000 | 199,363 | (35,637) |
| EXPENDITURES | | | | |
| General government | <u>403,800</u> | <u>413,800</u> | <u>418,756</u> | <u>(4,956)</u> |
| Excess (deficiency) of revenues over expenditures | (218,800) | (178,800) | (219,393) | (40,593) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | | | | |
| Ad Valorem Tax #2 fund | 125,000 | 125,000 | 125,000 | - |
| Sales and use tax fund | 35,000 | 35,000 | 35,000 | - |
| Parish-wide sales and use tax fund | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>-</u> |
| Total other financing sources | <u>260,000</u> | <u>260,000</u> | <u>260,000</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures | <u>\$ 41,200</u> | <u>\$ 81,200</u> | 40,607 | <u>\$ (40,593)</u> |
| FUND BALANCE | | | | |
| Beginning of year, as restated | | | <u>127,986</u> | |
| End of year | | | <u>\$ 168,593</u> | |

Notes on Exhibits A-9 and B-6 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2010

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the City Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget. The City follows the requirements of Louisiana Budget Law. The City is required to adopt its budget prior to June 30. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the City Council.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service and enterprise funds. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

Basis of Accounting

All of the City's budgets are prepared on the accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2010.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures Exceeding Appropriations

Excess of expenditures over appropriations in individual funds or departments within the fund occurred as follows:

| | Revised Budget | Actual (GAAP Basis) | Excess over Budget |
|----------------------------------|-------------------|------------------------|-----------------------|
| Governmental Fund: | | | |
| General Fund | | | |
| General government | \$ 1,408,800 | \$ 1,561,650 | \$ (152,850) |
| Public safety | 1,580,000 | 1,655,933 | (75,933) |
| Social and recreational services | 189,350 | 194,453 | (5,103) |

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Expenditures Exceeding Appropriations (Continued)

| | <u>Revised Budget</u> | <u>Actual (GAAP Basis)</u> | <u>Excess over Budget</u> |
|----------------------------------|---------------------------|--------------------------------|-------------------------------|
| Governmental Fund: | | | |
| Civic Center Fund | | | |
| Social and recreational services | 532,400 | 558,603 | (26,203) |
| Parish-wide Sales & Use Tax Fund | | | |
| Transfers out | 1,575,000 | 1,975,000 | (400,000) |
| Code Enforcement Grant Fund | | | |
| General government | \$ 413,800 | \$ 418,756 | \$ (4,956) |

*St. Gabriel, Louisiana
The City of Cleanliness and
Community*

St. Gabriel, Louisiana



City of St. Gabriel, Louisiana

"No matter where you are going, you can get there from St. Gabriel."

CITY OF ST. GABRIEL, LOUISIANA

SUPPLEMENTARY INFORMATION

CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND

SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2010

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance - positive (negative)</u> |
|----------------------|----------------------------|-------------------------|---------------------|---|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 1,075,000 | \$ 970,000 | \$ 969,745 | \$ (255) |
| Telephone | 32,000 | 32,000 | 22,093 | (9,907) |
| Cable TV | 12,000 | 12,000 | 17,652 | 5,652 |
| Franchise | - | 800 | 732 | (68) |
| Licenses and permits | 160,000 | 180,000 | 178,936 | (1,064) |
| Intergovernmental: | | | | |
| State of Louisiana | 50,000 | 283,000 | 154,842 | (128,158) |
| FEMA | - | 653,000 | 222,164 | (430,836) |
| Video draw poker | 330,000 | 370,000 | 296,407 | (73,593) |
| Contract services | 25,000 | 1,000 | 859 | (141) |
| Other | - | 5,000 | 4,525 | (475) |
| Fines | 600,000 | 641,000 | 579,913 | (61,087) |
| Other: | | | | |
| Rent and other | 65,000 | 85,000 | 58,084 | (26,916) |
| Interest | 15,000 | 15,000 | 1,047 | (13,953) |
| Miscellaneous | 50,000 | 50,000 | 55,420 | 5,420 |
| Youth Camp fees | <u>17,000</u> | <u>17,000</u> | <u>19,809</u> | <u>2,809</u> |
| Total revenues | <u>\$ 2,431,000</u> | <u>\$ 3,314,800</u> | <u>\$ 2,582,228</u> | <u>\$ (732,572)</u> |

**CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND**

**SCHEDULE OF DEPARTMENTAL EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2010

| | Original Budget | Final Budget | Actual | Variance - positive (negative) |
|---------------------------------|----------------------------|-------------------------|------------------|---|
| GENERAL GOVERNMENT | | | | |
| Salaries | \$ 329,300 | \$ 370,900 | \$ 388,403 | \$ (17,503) |
| Payroll taxes | 11,000 | 13,000 | 32,813 | (19,813) |
| Municipal retirement | 36,000 | 46,000 | 33,135 | 12,865 |
| Travel | 18,000 | 27,000 | 7,766 | 19,234 |
| Fixed asset acquisitions | 10,000 | 32,000 | 26,052 | 5,948 |
| Dues and subscriptions | 11,000 | 11,000 | 11,520 | (520) |
| Professional | 130,000 | 190,000 | 244,702 | (54,702) |
| Contract labor | 5,000 | 5,000 | 4,929 | 71 |
| Insurance | 290,900 | 459,900 | 424,651 | 35,249 |
| Building maintenance | 8,500 | 31,500 | 49,041 | (17,541) |
| Vehicle fuel | 16,000 | 11,000 | 11,041 | (41) |
| Office supplies | 25,000 | 15,000 | 10,001 | 4,999 |
| Vehicle maintenance | 3,000 | 8,000 | 8,321 | (321) |
| Telephone | 30,000 | 42,000 | 48,935 | (6,935) |
| Utilities | 70,000 | 70,000 | 77,519 | (7,519) |
| Interest expense | 25,000 | 5,000 | - | 5,000 |
| TANF grant | - | 3,550 | 3,080 | 470 |
| Other | 53,500 | 71,500 | 182,821 | (111,321) |
| Total general government | <u>1,072,200</u> | <u>1,412,350</u> | <u>1,564,730</u> | <u>(152,380)</u> |
| STREETS AND SANITATION | | | | |
| Salaries | 480,500 | 698,700 | 753,280 | (54,580) |
| Payroll taxes | 31,000 | 31,000 | 32,666 | (1,666) |
| Municipal retirement | 34,000 | 34,000 | 33,654 | 346 |
| Fixed asset acquisitions | 25,000 | 25,000 | 26,086 | (1,086) |
| Insurance | 81,000 | 111,000 | 122,615 | (11,615) |
| Contract labor | 10,000 | 10,000 | 8,435 | 1,565 |
| Equipment maintenance | 40,000 | 40,000 | 41,025 | (1,025) |
| Street and building maintenance | 62,500 | 442,500 | 339,008 | 103,492 |
| Utilities | 3,000 | 12,500 | 25,946 | (13,446) |
| Vehicle fuel | 50,000 | 43,800 | 43,808 | (8) |
| Supplies | 30,000 | 80,000 | 82,154 | (2,154) |
| Training | 4,200 | 1,500 | 114 | 1,386 |
| FEMA - capital outlay projects | - | 725,000 | 276,796 | 448,204 |
| Other | 10,000 | 48,200 | 95,165 | (46,965) |
| Total streets and sanitation | <u>861,200</u> | <u>2,303,200</u> | <u>1,880,752</u> | <u>422,448</u> |

CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND

SCHEDULE OF DEPARTMENTAL EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2010

| | Original Budget | Final Budget | Actual | Variance - favorable (unfavorable) |
|---------------------------------|----------------------------|-------------------------|------------------|---|
| PUBLIC SAFETY | | | | |
| Police | | | | |
| Salaries | \$ 663,500 | \$ 653,900 | \$ 697,812 | \$ (43,912) |
| Payroll taxes | 28,000 | 28,000 | 25,810 | 2,190 |
| Municipal and police retirement | 80,000 | 80,000 | 95,067 | (15,067) |
| Insurance | 90,000 | 105,500 | 106,232 | (732) |
| Fixed asset acquisition | 84,000 | 109,000 | 92,913 | 16,087 |
| Travel | 1,000 | 1,000 | 4,529 | (3,529) |
| Clothing | 4,750 | 4,750 | 14,968 | (10,218) |
| Training | 9,000 | 9,000 | 11,589 | (2,589) |
| Office supplies | 44,000 | 49,250 | 35,192 | 14,058 |
| Telephone | 11,000 | 11,000 | 13,562 | (2,562) |
| Vehicle fuel | 42,000 | 54,000 | 47,185 | 6,815 |
| Vehicle maintenance | 65,500 | 35,000 | 37,512 | (2,512) |
| Equipment maintenance | 45,900 | 25,900 | 29,873 | (3,973) |
| Field supplies | 40,000 | 75,000 | 89,188 | (14,188) |
| Printing | 1,000 | 1,000 | 2,014 | (1,014) |
| Vehicle lease | 43,000 | 43,000 | 45,104 | (2,104) |
| Other | 44,750 | 43,500 | 74,227 | (30,727) |
| Total police | <u>1,297,400</u> | <u>1,328,800</u> | <u>1,422,777</u> | <u>(93,977)</u> |
| Fire | | | | |
| Salaries | 168,500 | 173,000 | 165,478 | 7,522 |
| Payroll taxes | 7,000 | 7,000 | 4,967 | 2,033 |
| Fire fighters retirement | 20,000 | 20,000 | 20,337 | (337) |
| Insurance | 23,000 | 33,000 | 26,169 | 6,831 |
| Training | 500 | 500 | - | - |
| Other | 17,700 | 17,700 | 16,205 | 1,495 |
| Total fire | <u>236,700</u> | <u>251,200</u> | <u>233,156</u> | <u>18,044</u> |
| Total public safety | <u>1,534,100</u> | <u>1,580,000</u> | <u>1,655,933</u> | <u>(75,933)</u> |

CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND

SCHEDULE OF DEPARTMENTAL EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2010

| | Original Budget | Final Budget | Actual | Variance - favorable (unfavorable) |
|---|----------------------------|-------------------------|---------------|---|
| SOCIAL AND RECREATIONAL SERVICES | | | | |
| Social services and recreation | | | | |
| Salaries | \$ 37,800 | \$ 46,900 | \$ 48,689 | \$ (1,789) |
| Payroll taxes | 2,750 | 2,750 | 4,694 | (1,944) |
| Municipal retirement | 8,500 | 8,500 | 8,094 | 406 |
| Insurance | 13,950 | 13,950 | 15,849 | (1,899) |
| Vehicle fuel | 5,000 | 5,000 | 4,124 | 876 |
| Supplies | 1,800 | 1,800 | - | 1,800 |
| Contract labor | 200 | 200 | - | 200 |
| Other | 250 | 250 | 1,195 | (945) |
| Total social services and recreation | 70,250 | 79,350 | 82,645 | (3,295) |
| Senior center | | | | |
| Salaries | 42,500 | 63,700 | 63,978 | (278) |
| Payroll taxes | 4,000 | 4,000 | 3,803 | 197 |
| Municipal retirement | 6,000 | 6,000 | 6,574 | (574) |
| Insurance | 12,900 | 12,900 | 15,258 | (2,358) |
| Vehicle | 4,000 | 4,000 | 3,607 | 393 |
| Supplies | 900 | 900 | 314 | 586 |
| Other | 500 | 500 | 1,035 | (535) |
| Total senior center | 70,800 | 92,000 | 94,569 | (2,569) |
| Youth camp | | | | |
| Other | 18,000 | 18,000 | 17,239 | 761 |
| Total social and recreational services | 159,050 | 189,350 | 194,453 | (5,103) |
| Total expenditures | \$ 3,626,550 | \$ 5,484,900 | \$ 5,295,868 | \$ 189,032 |

St. Gabriel Community Center

1992

City of St. Gabriel, Louisiana



City of St. Gabriel, Louisiana

"No matter where you are going, you can get there from St. Gabriel!"

CITY OF ST. GABRIEL, LOUISIANA
NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Capital projects funds are used to account for expenditures of resources for capital outlay projects.

CIVIC CENTER CAPITAL PROJECT FUND

The Civic Center Capital Project Fund is used to account for the construction and renovation of the Civic Center.

RECREATIONAL PARKS CAPITAL PROJECT FUND

The Recreational Parks Capital Project Fund is used to account for construction and renovation of parks in the City.

SIDEWALKS IMPROVEMENT CAPITAL PROJECT FUND

The Sidewalks Improvement Capital Project Fund is used to account for capital expenditures related to a city-wide sidewalk improvement project.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEBT SERVICE FUND

The Debt Service Fund is used to accumulate monies for payment of the \$1.3 million road improvement project. The bonds were retired in 2010.

CITY OF ST. GABRIEL, LOUISIANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2010

| | Civic Center Capital Project Fund | Recreational Parks Capital Project Fund | Sidewalks Improvement Capital Project Fund | Debt Service Fund | Total Nonmajor Governmental Funds |
|------------------------------------|--|--|---|----------------------|--|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 10,947 | \$ 35,271 | \$ 180 | \$ - | \$ 46,398 |
| Total assets | <u>\$ 10,947</u> | <u>\$ 35,271</u> | <u>\$ 180</u> | <u>\$ -</u> | <u>\$ 46,398</u> |
| LIABILITIES | | | | | |
| Due to other funds | \$ - | \$ 5,271 | \$ - | \$ - | \$ 5,271 |
| Total liabilities | <u>-</u> | <u>5,271</u> | <u>-</u> | <u>-</u> | <u>5,271</u> |
| FUND BALANCE | | | | | |
| Undesignated | | | | | |
| Capital project funds | 10,947 | 30,000 | 180 | - | 41,127 |
| Debt service | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balance | <u>10,947</u> | <u>30,000</u> | <u>180</u> | <u>-</u> | <u>41,127</u> |
| Total liabilities and fund balance | <u>\$ 10,947</u> | <u>\$ 35,271</u> | <u>\$ 180</u> | <u>\$ -</u> | <u>\$ 46,398</u> |

CITY OF ST. GABRIEL, LOUISIANA
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the year ended June 30, 2010

| | Civic Center Capital Project Fund | Recreational Parks Capital Project Fund | Sidewalks Improvement Capital Project Fund | Debt Service Fund | Total Nonmajor Governmental Funds |
|---|--|--|---|----------------------------------|--|
| REVENUES | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - |
| Other | 3 | - | - | - | 3 |
| Total revenues | <u>3</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3</u> |
| EXPENDITURES | | | | | |
| Debt service | - | - | - | 186,863 | 186,863 |
| Capital project | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>186,863</u> | <u>186,863</u> |
| Excess (deficiency) of revenues over expenditures | <u>3</u> | <u>-</u> | <u>-</u> | <u>(186,863)</u> | <u>(186,860)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | 50,192 | 50,192 |
| Total financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>50,192</u> | <u>50,192</u> |
| Excess (deficiency) of revenues over expenditures and other sources (uses) | <u>3</u> | <u>-</u> | <u>-</u> | <u>(136,671)</u> | <u>(136,668)</u> |
| FUND BALANCE | | | | | |
| Beginning of year | <u>10,944</u> | <u>30,000</u> | <u>180</u> | <u>136,671</u> | <u>177,795</u> |
| End of year | <u>\$ 10,947</u> | <u>\$ 30,000</u> | <u>\$ 180</u> | <u>\$ -</u> | <u>\$ 41,127</u> |

**CITY OF ST. GABRIEL, LOUISIANA
CIVIC CENTER CAPITAL PROJECT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2010

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance - positive (negative)</u> |
|---|----------------------------|-------------------------|------------------|---|
| REVENUES | | | | |
| Interest income | \$ - | \$ - | \$ 3 | \$ 3 |
| Excess of revenues over expenditures and other sources | \$ - | \$ - | 3 | \$ 3 |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>10,944</u> | |
| End of year | | | <u>\$ 10,947</u> | |

**CITY OF ST. GABRIEL, LOUISIANA
RECREATIONAL PARKS CAPITAL PROJECTS FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2010

| | Original Budget | Final Budget | Actual | Variance - positive (negative) |
|---|----------------------------|-------------------------|------------------|---|
| EXPENDITURES | | | | |
| Capital outlay | \$ - | \$ - | \$ - | \$ - |
| OTHER FINANCING USES | | | | |
| Transfer in - Ad Valorem Tax #2 | - | - | - | - |
| Excess (deficiency) of revenues over expenditures and other sources | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>30,000</u> | |
| End of year | | | <u>\$ 30,000</u> | |

CITY OF ST. GABRIEL, LOUISIANA
SIDEWALKS IMPROVEMENT CAPITAL PROJECTS FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2010

| | Original Budget | Final Budget | Actual | Variance - positive (negative) |
|--|--------------------|-----------------|---------------|--------------------------------------|
| REVENUES | | | | |
| Grant revenue | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Capital project | | | | |
| Capital outlay | - | - | - | - |
| Excess (deficiency) of revenues over expenditures | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>180</u> | |
| End of year | | | <u>\$ 180</u> | |

**CITY OF ST. GABRIEL, LOUISIANA
DEBT SERVICE FUND**

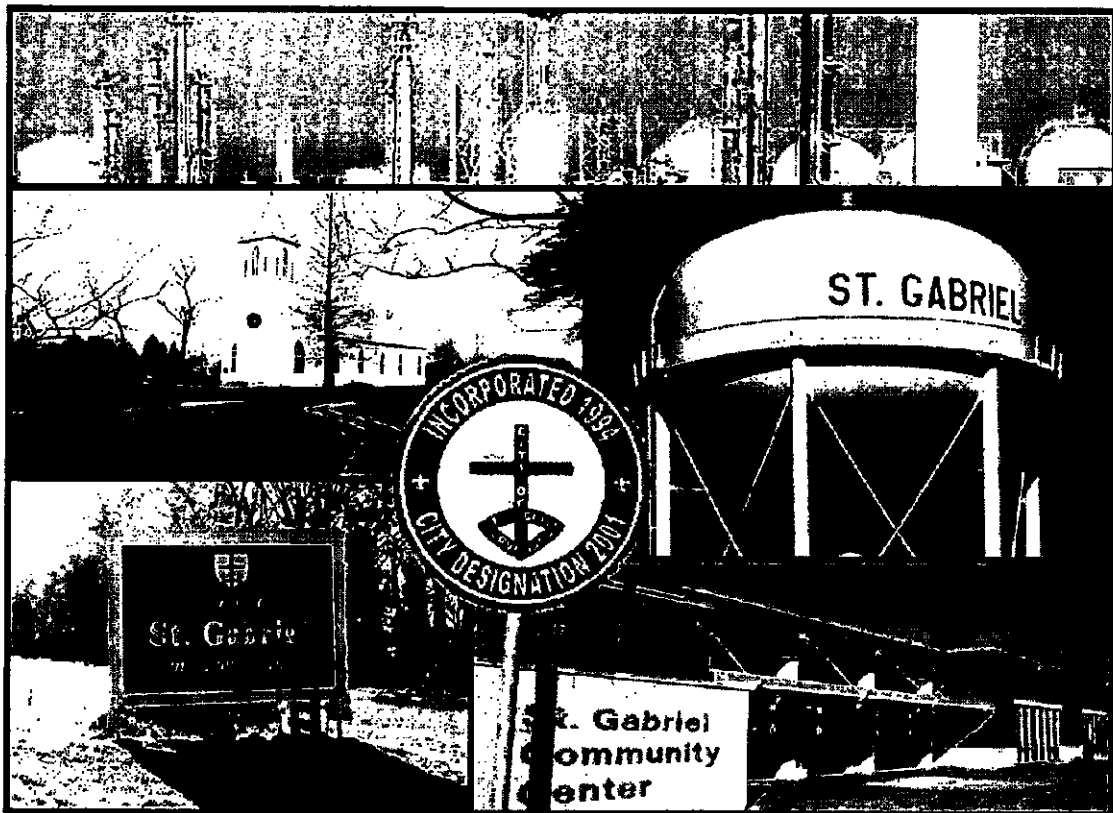
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2010

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance - positive (negative)</u> |
|--|----------------------------|-------------------------|----------------|---|
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | \$ 165,750 | \$ 182,750 | \$ 182,750 | \$ - |
| Interest | <u>19,794</u> | <u>4,113</u> | <u>4,113</u> | <u>-</u> |
| Total expenditures | 185,544 | 186,863 | 186,863 | - |
| OTHER FINANCING SOURCES | | | | |
| Transfer in - Ad Valorem #2 | <u>50,192</u> | <u>50,192</u> | <u>50,192</u> | <u>-</u> |
| Excess of other financing sources over expenditures | <u>\$ (135,352)</u> | <u>\$ (136,671)</u> | (136,671) | <u>\$ -</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>136,671</u> | |
| End of year | | | <u>\$ -</u> | |

St. Gabriel, Louisiana

City of St. Gabriel, Louisiana



City of St. Gabriel, Louisiana

"No matter where you are going, you can get there from St. Gabriel."

CITY OF ST. GABRIEL, LOUISIANA

STATISTICAL SECTION

June 30, 2010

This section, which is composed of accounting and non-accounting data, is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

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CITY OF ST. GABRIEL, LOUISIANA

NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS(accrual basis of accounting)
(in thousands)

| | FISCAL YEAR | | | | | | |
|--|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Governmental activities | | | | | | | |
| Invested in capital assets, net of related debt | \$ 2,465 | \$ 2,365 | \$ 2,452 | \$ 2,147 | \$ 1,886 | \$ 2,197 | \$ 1,919 |
| Restricted | 402 | 315 | 140 | 90 | 243 | 140 | 40 |
| Unrestricted | <u>2,480</u> | <u>2,227</u> | <u>1,236</u> | <u>1,438</u> | <u>1,299</u> | <u>524</u> | <u>451</u> |
| Total governmental activities net assets | <u>5,347</u> | <u>4,907</u> | <u>3,828</u> | <u>3,675</u> | <u>3,428</u> | <u>2,861</u> | <u>2,410</u> |
| Business-type activities | | | | | | | |
| Invested in capital assets, net of related debt | 5,355 | 5,561 | 5,744 | 5,879 | 5,922 | 5,770 | 5,295 |
| Restricted | 144 | 63 | 31 | 31 | 29 | 29 | - |
| Unrestricted | <u>(361)</u> | <u>(204)</u> | <u>(339)</u> | <u>(372)</u> | <u>(434)</u> | <u>(259)</u> | <u>100</u> |
| Total business-type activities net assets | <u>5,138</u> | <u>5,420</u> | <u>5,436</u> | <u>5,538</u> | <u>5,517</u> | <u>5,540</u> | <u>5,395</u> |
| Primary government | | | | | | | |
| Invested in capital assets, net of related debt | 7,820 | 7,926 | 8,196 | 8,026 | 7,808 | 7,967 | 7,214 |
| Restricted | 546 | 378 | 171 | 121 | 272 | 169 | 40 |
| Unrestricted | <u>2,119</u> | <u>2,023</u> | <u>897</u> | <u>1,066</u> | <u>865</u> | <u>265</u> | <u>551</u> |
| Total primary government net assets | <u>\$ 10,485</u> | <u>\$ 10,327</u> | <u>\$ 9,264</u> | <u>\$ 9,213</u> | <u>\$ 8,945</u> | <u>\$ 8,401</u> | <u>\$ 7,805</u> |

Information available for seven years.

CITY OF ST. GABRIEL, LOUISIANA

CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS(accrual basis of accounting)
(in thousands)

| | FISCAL YEAR | | | | | | |
|---|-------------|----------|----------|----------|----------|----------|--------|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Expenses | | | | | | | |
| Governmental activities | | | | | | | |
| General government | \$ 1,815 | \$ 1,892 | \$ 1,889 | \$ 1,139 | \$ 1,560 | \$ 1,060 | \$ 967 |
| Public safety | 1,681 | 1,513 | 1,257 | 1,026 | 1,195 | 1,017 | 835 |
| Streets and sanitation | 2,098 | 1,265 | 1,291 | 1,046 | 1,314 | 917 | 795 |
| Culture and recreation | 890 | 712 | 855 | 1,105 | 913 | 653 | 250 |
| Interest on long-term debt | 144 | 180 | 220 | 299 | 223 | 51 | 40 |
| Total governmental activities | 6,628 | 5,562 | 5,512 | 4,615 | 5,205 | 3,698 | 2,887 |
| Business-type activities | | | | | | | |
| Waste water treatment facilities | 1,071 | 802 | 976 | 973 | 1,005 | 889 | 570 |
| Total business-type activities | 1,071 | 802 | 976 | 973 | 1,005 | 889 | 570 |
| Total primary government expenses | 7,699 | 6,364 | 6,488 | 5,588 | 6,210 | 4,587 | 3,457 |
| Program Revenues | | | | | | | |
| Governmental activities | | | | | | | |
| Charges for services: | | | | | | | |
| General government | 371 | 254 | 350 | 467 | 2,108 | 177 | 166 |
| Public safety | 580 | 624 | 610 | 117 | 182 | 175 | 23 |
| Culture and recreation | 17 | 11 | 13 | 17 | 18 | 13 | 1 |
| Operating grants and contributions | 314 | 26 | 463 | 310 | 147 | - | 23 |
| Capital grants and contributions | - | - | - | 7 | - | 284 | 687 |
| Total governmental activities program revenues | 1,282 | 915 | 1,436 | 918 | 2,455 | 649 | 900 |
| Business-type activities | | | | | | | |
| Charges for Services | | | | | | | |
| Waste water treatment facilities | 128 | 126 | 117 | 131 | 127 | 103 | 116 |
| Capital grants and contributions | - | - | 28 | 81 | 154 | 612 | 2,090 |
| Total business-type activities program revenues | 128 | 126 | 145 | 212 | 281 | 715 | 2,206 |
| Total primary government total revenues | 1,410 | 1,041 | 1,581 | 1,130 | 2,736 | 1,364 | 3,106 |

Information available for seven years.

CHANGE IN NET ASSETS LAST SEVEN FISCAL YEARS

(accrual basis of accounting)
(in thousands)

| | FISCAL YEAR | | | | | | |
|---|----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Net (expense)/revenue: | | | | | | | |
| Governmental activities | \$ (5,346) | \$ (4,647) | \$ (4,076) | \$ (3,697) | \$ (2,750) | \$ (3,049) | \$ (1,987) |
| Business-type activities | <u>(943)</u> | <u>(676)</u> | <u>(831)</u> | <u>(761)</u> | <u>(724)</u> | <u>(174)</u> | <u>1,636</u> |
| Total primary government net revenue (expense) | <u>(6,289)</u> | <u>(5,323)</u> | <u>(4,907)</u> | <u>(4,458)</u> | <u>(3,474)</u> | <u>(3,223)</u> | <u>(351)</u> |
| General Revenues and Other Changes in Net Assets | | | | | | | |
| Governmental activities | | | | | | | |
| Taxes: | | | | | | | |
| Property | 2,388 | 2,357 | 2,359 | 2,058 | 2,487 | 2,404 | 1,302 |
| Sales | 2,851 | 2,480 | 1,676 | 1,730 | 697 | 835 | 823 |
| Video Poker | 593 | 577 | 625 | 640 | 597 | 530 | 515 |
| Franchise | - | - | - | - | - | 44 | 130 |
| Other | 40 | 44 | 54 | 45 | 43 | 41 | 41 |
| Unrestricted grants and contributions | 223 | 920 | 205 | 172 | 142 | 21 | 11 |
| Investment earnings | 1 | 4 | 26 | 49 | 11 | 5 | 2 |
| Donation | 350 | - | - | - | - | - | - |
| Gain on sale of capital assets | - | - | 100 | - | - | - | - |
| Transfers to other funds | <u>(660)</u> | <u>(660)</u> | <u>(725)</u> | <u>(775)</u> | <u>(700)</u> | <u>(380)</u> | <u>(317)</u> |
| Total governmental activities general revenues | <u>5,786</u> | <u>5,722</u> | <u>4,320</u> | <u>3,919</u> | <u>3,277</u> | <u>3,500</u> | <u>2,507</u> |
| Business-type activities | | | | | | | |
| Unrestricted grants and contributions | - | - | 4 | 5 | 2 | - | - |
| Investment earnings | - | - | 1 | 1 | - | - | 1 |
| Special item-loss | - | - | - | - | - | (60) | - |
| Transfers from other funds | <u>660</u> | <u>660</u> | <u>725</u> | <u>775</u> | <u>700</u> | <u>380</u> | <u>317</u> |
| Total business-type activities general revenues | <u>660</u> | <u>660</u> | <u>730</u> | <u>781</u> | <u>702</u> | <u>320</u> | <u>318</u> |
| Total primary government general revenues | <u>6,446</u> | <u>6,382</u> | <u>5,050</u> | <u>4,700</u> | <u>3,979</u> | <u>3,820</u> | <u>2,825</u> |
| Change in Net Assets | | | | | | | |
| Governmental activities | <u>440</u> | <u>1,075</u> | <u>244</u> | <u>222</u> | <u>527</u> | <u>451</u> | <u>520</u> |
| Business-type activities | <u>(283)</u> | <u>(16)</u> | <u>(101)</u> | <u>20</u> | <u>(22)</u> | <u>146</u> | <u>1,954</u> |
| Total primary government net revenue (expense) | <u>\$ 157</u> | <u>\$ 1,059</u> | <u>\$ 143</u> | <u>\$ 242</u> | <u>\$ 505</u> | <u>\$ 597</u> | <u>\$ 2,474</u> |

Information available for seven years.

CITY OF ST. GABRIEL, LOUISIANA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(in thousands)

| <u>Fiscal Year</u> | <u>Property Taxes</u> | <u>Sales Taxes</u> | <u>Video Poker fees</u> | <u>Franchise Taxes</u> | <u>Other Taxes</u> | <u>Total</u> |
|------------------------|---------------------------|------------------------|-----------------------------|----------------------------|------------------------|--------------|
| 2010 | \$ 2,388 | \$ 2,851 | \$ 593 | \$ - | \$ 40 | \$ 5,872 |
| 2009 | 2,356 | 2,480 | 577 | - | 44 | 5,457 |
| 2008 | 2,358 | 1,676 | 625 | - | 54 | 4,713 |
| 2007 | 2,059 | 1,730 | 640 | - | 45 | 4,474 |
| 2006 | 2,485 | 697 | 597 | - | 43 | 3,822 |
| 2005 | 2,400 | 835 | 530 | 44 | 41 | 3,850 |
| 2004 | 1,301 | 823 | 515 | 130 | 41 | 2,810 |
| 2003 | 1,191 | 844 | 528 | 133 | 45 | 2,741 |
| 2002 | 1,157 | 1,063 | 540 | 122 | 45 | 2,927 |
| 2001 | 1,135 | 579 | 524 | 154 | 40 | 2,432 |

CITY OF ST. GABRIEL, LOUISIANA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(in thousands)

| Fiscal Year | GENERAL FUND | | | ALL OTHER GOVERNMENTAL FUNDS | | | |
|----------------|--------------|------------|-------|------------------------------|--|--|---|
| | Reserved | Unreserved | Total | Reserved* | Unreserved Reported in Special Revenue Funds | Unreserved Reported in Capital Project Funds | Total all other Governmental Funds |
| 2010 | \$ - | \$ 40 | \$ 40 | \$ - | \$ 2,813 | \$ 41 | \$ 2,854 |
| 2009 | - | 129 | 129 | 137 | 2,243 | 41 | 2,421 |
| 2008 | - | 90 | 90 | 139 | 1,172 | - | 1,311 |
| 2007 | - | 47 | 47 | 14 | 971 | 68 | 1,053 |
| 2006 | - | 560 | 560 | 6 | 700 | 139 | 845 |
| 2005 | - | 125 | 125 | 9 | 428 | 131 | 568 |
| 2004 | - | 184 | 184 | - | 318 | 40 | 358 |
| 2003 | - | 91 | 91 | - | 622 | 37 | 659 |
| 2002 | - | 45 | 45 | - | 851 | 1 | 852 |
| 2001 | - | 84 | 84 | - | 1,438 | 1 | 1,439 |

*Debt Service Funds.

All fund balances in Debt Service Funds are reserved to pay future debt service.

CITY OF ST. GABRIEL, LOUISIANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(in thousands)

| | FISCAL YEAR | | | |
|--|---------------|-----------------|---------------|-----------------|
| | 2010 | 2009 | 2008 | 2007 |
| REVENUES | | | | |
| Taxes | \$ 5,279 | \$ 4,880 | \$ 4,088 | \$ 3,834 |
| Intergovernmental | 1,330 | 1,411 | 1,262 | 1,300 |
| Licenses and permits | 287 | 180 | 208 | 169 |
| Fines | 580 | 624 | 610 | 117 |
| Miscellaneous revenues | 166 | 205 | 212 | 189 |
| Total revenues | <u>7,642</u> | <u>7,300</u> | <u>6,380</u> | <u>5,609</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,983 | 1,757 | 1,957 | 1,423 |
| Public safety | 1,657 | 1,555 | 1,380 | 1,117 |
| Streets and sanitation | 1,881 | 1,043 | 1,238 | 969 |
| Culture and recreation | 753 | 530 | 687 | 819 |
| Debt service | | | | |
| Principal retirement | 213 | 246 | 168 | 490 |
| Interest and bank charges | 238 | 207 | 220 | 299 |
| Capital projects | - | 153 | 6 | - |
| Total expenditures | <u>6,725</u> | <u>5,491</u> | <u>5,656</u> | <u>5,117</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>917</u> | <u>1,809</u> | <u>724</u> | <u>492</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of capital assets | - | - | 300 | - |
| Long-term debt proceeds | - | - | - | 65 |
| Donation | 350 | - | - | - |
| Transfers in | 2,995 | 2,411 | 2,311 | 1,909 |
| Transfers out | (3,655) | (3,071) | (3,036) | (2,684) |
| Total other financing sources and uses | <u>(310)</u> | <u>(660)</u> | <u>(425)</u> | <u>(710)</u> |
| Net change in fund balances | <u>\$ 607</u> | <u>\$ 1,149</u> | <u>\$ 299</u> | <u>\$ (218)</u> |
| Debt service as a percentage of noncapital expenditures | 6.7% | 8.5% | 6.9% | 15.4% |

Exhibit E-5
(Continued)

| FISCAL YEAR | | | | | |
|-------------|----------|----------|----------|----------|----------|
| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| \$ 3,225 | \$ 3,320 | \$ 2,295 | \$ 2,213 | \$ 2,387 | \$ 1,908 |
| 2,566 | 828 | 1,247 | 853 | 847 | 628 |
| 197 | 139 | 127 | 106 | 127 | 121 |
| 181 | 174 | 23 | 9 | 7 | - |
| 231 | 68 | 32 | 50 | 91 | 129 |
| 6,400 | 4,529 | 3,724 | 3,231 | 3,459 | 2,786 |
| 1,552 | 1,054 | 958 | 897 | 971 | 845 |
| 1,092 | 1,240 | 793 | 741 | 805 | 659 |
| 1,255 | 830 | 718 | 779 | 992 | 868 |
| 706 | 603 | 232 | 312 | 297 | 287 |
| 245 | 134 | 133 | 19 | - | - |
| 235 | 51 | 41 | 6 | - | - |
| 160 | 1,254 | 4,464 | 1,424 | 388 | 125 |
| 5,245 | 5,166 | 7,339 | 4,178 | 3,453 | 2,784 |
| 1,155 | (637) | (3,615) | (947) | 6 | 2 |
| - | - | - | - | - | - |
| 401 | 1,167 | 3,725 | 1,100 | - | - |
| - | - | - | - | - | - |
| 1,462 | 2,107 | 1,352 | 1,273 | 1,501 | 1,071 |
| (2,162) | (2,487) | (1,670) | (1,573) | (2,133) | (1,137) |
| (299) | 787 | 3,407 | 800 | (632) | (66) |
| \$ 856 | \$ 150 | \$ (208) | \$ (147) | \$ (626) | \$ (64) |
| 9.4% | 4.7% | 6.1% | 0.9% | 0.0% | 0.0% |

CITY OF ST. GABRIEL, LOUISIANA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(in thousands)

| <u>Fiscal Year</u> | <u>Property Taxes</u> | <u>Sales Taxes</u> | <u>Franchise Taxes</u> | <u>Other Taxes</u> | <u>Total</u> |
|------------------------|---------------------------|------------------------|----------------------------|------------------------|--------------|
| 2010 | \$ 2,388 | \$ 2,851 | \$ - | \$ 40 | \$ 5,279 |
| 2009 | 2,356 | 2,480 | - | 44 | 4,880 |
| 2008 | 2,358 | 1,676 | - | 54 | 4,088 |
| 2007 | 2,059 | 1,730 | - | 45 | 3,834 |
| 2006 | 2,485 | 697 | - | 43 | 3,225 |
| 2005 | 2,400 | 835 | 44 | 41 | 3,320 |
| 2004 | 1,301 | 823 | 130 | 41 | 2,295 |
| 2003 | 1,191 | 844 | 133 | 45 | 2,213 |
| 2002 | 1,157 | 1,063 | 122 | 45 | 2,387 |
| 2001 | 1,135 | 579 | 154 | 40 | 1,908 |

CITY OF ST. GABRIEL, LOUISIANA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

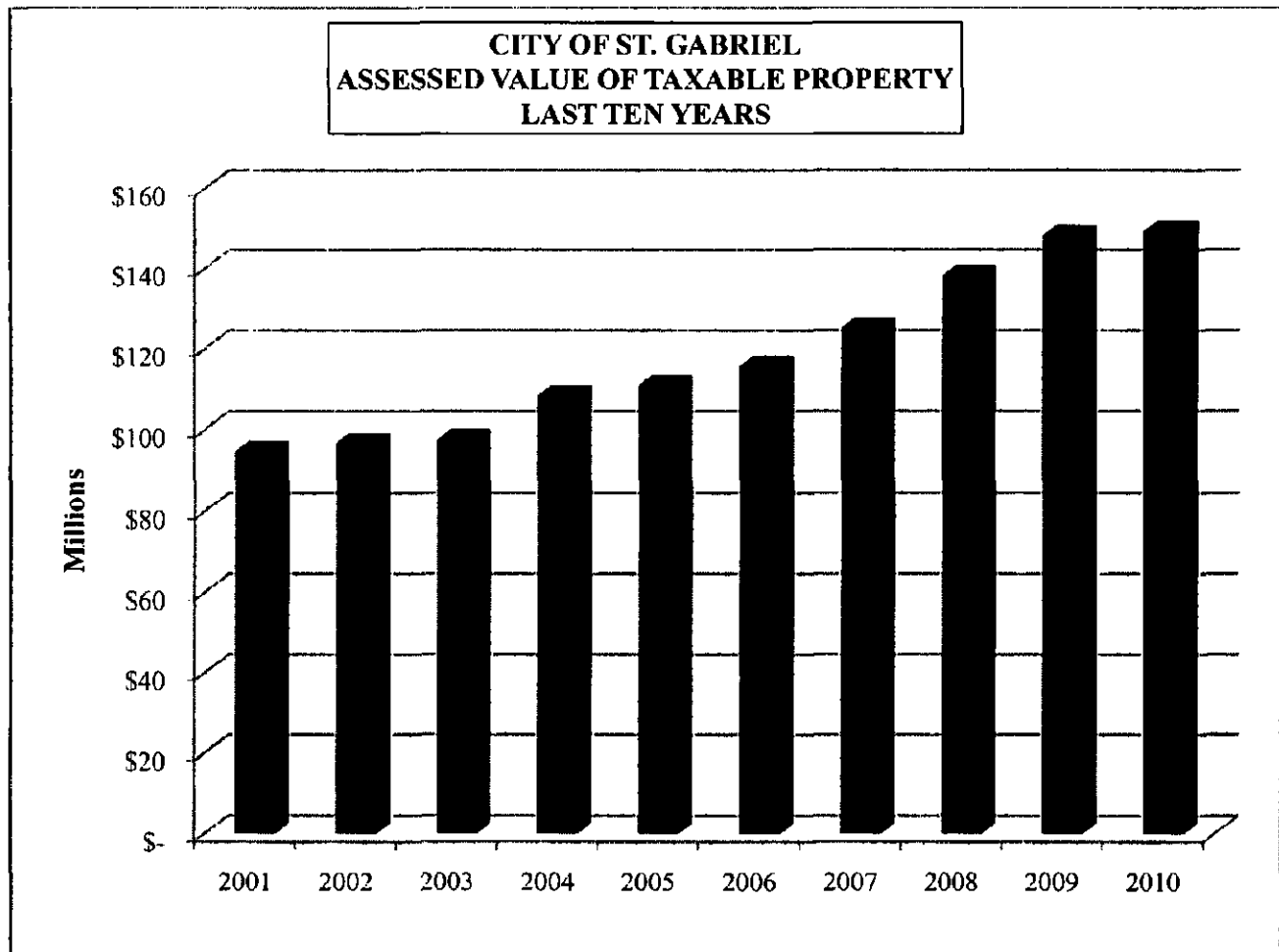
| Fiscal Year | Real Property | Personal Property | Public Service Property | Total Taxable Assessed Value | Total Direct Tax Rate - Millages | Estimated Actual Value | Ratio of Total Taxable Assessed Value to Total Estimated Actual Value* |
|----------------|---------------|-------------------|----------------------------|---------------------------------|-------------------------------------|---------------------------|--|
| | | | | | | | |
| 2010 | \$ 17,032,126 | \$ 93,676,690 | \$ 38,695,794 | \$ 149,404,610 | 15.88 | \$ 149,404,610 | 100% |
| 2009 | 16,895,260 | 92,958,025 | 38,314,350 | 148,167,635 | 15.88 | \$148,167,635 | 100% |
| 2008 | 12,086,572 | 88,689,660 | 37,402,420 | 138,178,652 | 16.84 | \$138,178,652 | 100% |
| 2007 | 10,920,522 | 78,886,150 | 35,344,300 | 125,150,972 | 16.84 | \$125,150,972 | 100% |
| 2006 | 9,606,132 | 72,270,265 | 33,777,785 | 115,654,182 | 21.73 | \$115,654,182 | 100% |
| 2005 | 9,205,452 | 70,287,085 | 31,359,220 | 110,851,757 | 21.73 | \$110,851,757 | 100% |
| 2004 | 8,987,440 | 67,597,655 | 31,745,270 | 108,330,365 | 12.00 | \$108,330,365 | 100% |
| 2003 | 9,135,070 | 57,698,050 | 30,686,050 | 97,519,170 | 12.00 | \$97,519,170 | 100% |
| 2002 | 8,713,220 | 57,347,273 | 30,311,410 | 96,371,903 | 12.00 | \$96,687,898 | 100% |
| 2001 | 8,976,830 | 55,259,878 | 30,451,190 | 94,687,898 | 12.00 | \$94,687,898 | 100% |

Source: City of St. Gabriel

*Actual Valuation (Market Value) as Compared to Assessed Valuation

Residential properties are assessed at 10% of fair market value; other property and electric cooperative properties, excluding land are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. The overall assessed value is estimated to be 14 - 15% if actual market value.

CITY OF ST. GABRIEL, LOUISIANA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS



CITY OF ST. GABRIEL, LOUISIANA
PROPERTY TAX RATES AND TAX LEVIES
DIRECT GOVERNMENTS
LAST TEN CALENDAR YEARS

| Fiscal Year | City of St. Gabriel | | Overlapping Rates | | | | | Total Direct and Overlapping Rates |
|----------------|---------------------------------------|-----------------------|--------------------|-----------------|-----------------------------------|------------------------|-------------------|--|
| | Operating & Public Improvements | Total City Millage | Law Enforcement | School Board | Iberville Parish Government | Assessment District | Levec District | |
| 2010 | 15.88 | 15.88 | 22.00 | 56.66 | 19.84 | 2.06 | 3.67 | 120.11 |
| 2009 | 15.88 | 15.88 | 22.00 | 56.66 | 19.84 | 2.06 | 3.67 | 120.11 |
| 2008 | 16.84 | 16.84 | 22.00 | 39.27 | 22.68 | 2.06 | 3.74 | 106.59 |
| 2007 | 16.84 | 16.84 | 22.00 | 39.27 | 22.68 | 2.06 | 3.74 | 106.59 |
| 2006 | 21.73 | 21.73 | 22.00 | 39.27 | 22.68 | 2.06 | 3.74 | 111.48 |
| 2005 | 21.73 | 21.73 | 22.00 | 39.27 | 22.68 | 2.06 | 3.74 | 111.48 |
| 2004 | 12.00 | 12.00 | 22.00 | 39.27 | 22.68 | 1.98 | 3.74 | 101.67 |
| 2003 | 12.00 | 12.00 | 22.00 | 39.27 | 22.68 | 2.06 | 3.74 | 101.75 |
| 2002 | 12.00 | 12.00 | 22.00 | 40.27 | 22.68 | 2.06 | 3.74 | 102.75 |
| 2001 | 12.00 | 12.00 | 22.00 | 32.27 | 22.68 | 2.06 | 3.74 | 94.75 |

The tax levies represent the original levy of the Assessor and exclude the homestead exemption amounts.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 1% per month. No discounts are allowed for taxes, and there is no provision for partial payments.

Source: Audited financial statements of each municipality shown above.

CITY OF ST. GABRIEL, LOUISIANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

| Taxpayer | Type of Business | 2010 | | | 2001 | | |
|--------------------------|------------------|----------------------|------|--|----------------------|------|--|
| | | Assessed Valuation | Rank | Percentage of Total Assessed Valuation | Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| Entergy Gulf States | Energy | \$ 33,613,560 | 1 | 22.50% | \$ 28,760,083 | 1 | 30.37% |
| Syngenta Crop Protection | Chemical | 27,365,230 | 2 | 18.32% | 17,454,000 | 2 | 18.43% |
| Cos Mar Company | Chemical | 18,084,420 | 3 | 12.10% | 15,223,583 | 3 | 16.08% |
| Ineos Fluor Americas | Chemical | 9,682,460 | 4 | 6.48% | 2,161,833 | 4 | 2.28% |
| Total Petrochemicals USA | Chemical | 7,870,910 | 5 | 5.27% | - | | - |
| PCS Nitrogen Fertilizer | Chemical | 3,538,720 | 6 | 2.37% | 3,245,667 | 7 | 3.43% |
| Pioneer Americas, LLC | Chemical | 3,240,630 | 7 | 2.17% | 3,429,000 | 6 | 3.62% |
| Petrologistics Choctaw | Oil/Gas | 3,005,400 | 8 | 2.01% | - | | - |
| Taminco Higher Amines | Chemical | 2,490,470 | 9 | 1.67% | - | | - |
| Marathon Petroleum | Oil/Gas | 1,637,170 | 10 | 1.10% | - | | - |
| Fina Oil & Chemical | Oil/Gas | - | | - | 4,098,833 | 5 | 4.33% |
| Air Products & Chemicals | Chemical | - | | - | 2,244,083 | 8 | 2.37% |
| CIBA Specialty Chem | Chemical | - | | - | 1,937,417 | 9 | 2.05% |
| Greif Brother, Inc. | Manufacturing | - | | - | 749,083 | 10 | 0.79% |
| | | <u>\$110,528,970</u> | | <u>73.98%</u> | <u>\$ 78,554,500</u> | | <u>74.22%</u> |

Source: Iberville Parish Assessor's Office

CITY OF ST. GABRIEL, LOUISIANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

| <u>Year</u> | <u>(1) Total Tax Levy</u> | <u>(1) Collections</u> | <u>Percent of Levy Collected</u> | <u>(1) Prior Year Tax Collections</u> | <u>(1) Total Tax Collections</u> | <u>Ratio of Total Collections to Tax Levy</u> |
|-------------|-----------------------------------|----------------------------|--|---|--|---|
| 2010 | \$ 2,387,528 | \$ 2,381,105 | 99.73% | \$ 7,372 | \$ 2,388,477 | 100.04% |
| 2009 | 2,352,906 | 2,336,374 | 99.30% | 20,492 | 2,356,866 | 100.17% |
| 2008 | 2,326,928 | 2,321,256 | 99.76% | 37,684 | 2,358,940 | 101.38% |
| 2007 | 2,107,242 | 2,058,494 | 97.69% | 39,444 | 2,097,938 | 99.56% |
| 2006 | 2,489,824 | 2,486,589 | 99.87% | - | 2,486,589 | 99.87% |
| 2005 | 2,411,798 | 2,403,836 | 99.67% | - | 2,403,836 | 99.67% |
| 2004 | 1,299,964 | 1,297,281 | 99.79% | 4,222 | 1,301,503 | 100.12% |
| 2003 | 1,207,345 | 1,191,258 | 98.67% | - | 1,191,258 | 98.67% |
| 2002 | 1,156,463 | 1,121,858 | 97.01% | 34,230 | 1,156,088 | 99.97% |
| 2001 | 1,136,255 | 1,131,823 | 99.61% | 3,423 | 1,135,246 | 99.91% |

(1) City of St. Gabriel

CITY OF ST. GABRIEL, LOUISIANA

SALES TAX REVENUES
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

| Fiscal Year | 1% City Public | 2% Public Infrastructure and Maintenance | Total |
|----------------|----------------------|--|-------------|
| 2010 | \$ 1,027,086 | \$ 1,824,387 | \$2,851,473 |
| 2009 | 814,745 | 1,665,155 | 2,479,900 |
| 2008 | 510,362 | 1,165,513 | 1,675,875 |
| 2007 | 497,608 | 1,232,889 | 1,730,497 |
| 2006 | 481,121 | 216,302 | 697,423 |
| 2005 | 555,562 | 281,094 | 836,656 |
| 2004 | 548,183 | 275,242 | 823,425 |
| 2003 | 488,671 | 355,278 | 843,949 |
| 2002 | 845,834 | 217,668 | 1,063,502 |
| 2001 | 578,764 | - | 578,764 |

The following is a summary of sales and use taxes being collected within the City of St. Gabriel as of June 30, 2010:

| | |
|-------------------------------|--------------|
| Iberville Parish School Board | 2.00% |
| Parish of Iberville | 2.67% |
| City of St. Gabriel | <u>1.00%</u> |
| Local Rate | 5.67% |
| State Rate | <u>4.00%</u> |
| Total Rate | <u>9.67%</u> |

The Parish of Iberville collects the 2.67% sales and use tax which is shared with certain municipalities on a pro rata basis. The City of St. Gabriel participates in the collection of 2% of this tax and is excluded from the parishwide. The City began participating in the 2% sales and use tax in 2002.

Source: Iberville Parish Sales Tax Department

CITY OF ST. GABRIEL, LOUISIANA
TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX
LAST THREE FISCAL YEARS (1)

(modified accrual basis of accounting)

| Industry | FISCAL YEAR | | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| | 2009 | 2008 | 2007 |
| Manufacturer of chemicals | \$ 451,722,558 | \$ 63,896,513 | \$ 383,428,833 |
| Motor vehicle dealers | 49,300,031 | 43,511,789 | 55,019,311 |
| Industrial equipment sales | 44,812,120 | 38,473,171 | 49,692,665 |
| Department stores & dry goods | 39,397,302 | 35,155,751 | 38,075,149 |
| Grocery stores | 36,151,634 | 33,179,640 | 30,518,673 |
| Lumber, building materials stores | 28,460,909 | 23,271,228 | 25,975,932 |
| Oil well equipment & water well | 22,060,895 | 27,150,441 | 35,500,887 |
| Miscellaneous - others | <u>77,414,933</u> | <u>78,538,164</u> | <u>100,556,804</u> |
| | <u>\$ 749,320,382</u> | <u>\$ 343,176,697</u> | <u>\$ 718,768,254</u> |

Source: Relevant information was not available for the City of St. Gabriel. Data presented is for the Iberville Parish Government
 (1) Data not available for 2006-2001

CITY OF ST. GABRIEL, LOUISIANA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS(full accrual basis of accounting)
(in thousands, except per capita amount)

| Fiscal Year | Governmental Activities Debt | | | Business-Type Debt | | (1) | (2) | (2) |
|----------------|-----------------------------------|--------------------------------|-------------------|--------------------|--------------------------------|-------------------------------------|-----------------------|-----|
| | Certificate of Indebtedness | Public Improvement Bonds | Capital Leases | Revenue Bonds | Total Primary Government | Percentage of Personal Income | Debt Per Capita | |
| 2010 | \$ - | \$ 4,501 | \$ 8 | \$ 3,041 | \$ 7,550 | N/A | \$ 1,361 | |
| 2009 | 183 | 4,556 | 61 | 3,126 | 7,926 | N/A | 1,420 | |
| 2008 | 357 | 4,628 | 109 | 3,177 | 8,271 | 0.83% | 1,484 | |
| 2007 | 773 | 4,679 | 173 | 3,250 | 8,875 | 0.95% | 1,583 | |
| 2006 | 675 | 4,737 | 263 | 3,315 | 8,990 | 1.04% | 1,625 | |
| 2005 | 828 | 4,559 | 284 | 3,368 | 9,039 | 1.10% | 1,633 | |
| 2004 | 973 | 3,725 | - | 2,969 | 7,667 | 1.03% | 1,379 | |
| 2003 | 1,100 | - | - | 1,947 | 3,047 | 0.71% | 894 | |
| 2002 | - | - | - | 1,763 | 1,763 | 0.51% | 629 | |
| 2001 | - | - | 47 | 1,237 | 1,284 | 0.46% | 544 | |

(1) City of St. Gabriel

(2) Bureau of Economic Analysis for Iberville Parish. Information for 2010 and 2009 is unavailable.

CITY OF ST. GABRIEL, LOUISIANA

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2010

(in thousands)

| <u>Jurisdiction</u> | <u>Debt Outstanding</u> | <u>(2) Estimated Percentage Applicable</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|--|-----------------------------|--|---|
| City direct debt | \$ 4,508 | 100% | \$ 4,508 |
| <u>Overlapping -other government agencies (1):</u> | | | |
| Iberville Parish School Board (3) | \$ 38,633 | 29% | \$ 11,204 |
| Iberville Parish Government (4) | 20,565 | 29% | 5,964 |
| Total other government agencies | \$ 59,198 | | \$ 17,167 |
| Total direct and overlapping | | | \$ 21,675 |
| 2010 population estimate | | | 5,560 |
| Per capita | | | \$ 3,898 |

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of St. Gabriel. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Parish's taxable assessed value that is within the City's boundaries and dividing it by the Parish's taxable assessed value.

(3) Source: 2009 general purpose financial statements

(4) Source: 2009 comprehensive annual financial report

CITY OF ST. GABRIEL, LOUISIANA
LEGAL DEBT MARGIN CALCULATION
LAST TEN FISCAL YEARS

| <u>Year</u> | <u>Assessed Value</u> | <u>Any One Purpose</u> | <u>Aggregate All Purposes (1)</u> | <u>Debt Outstanding (2)</u> | <u>Legal Debt Margin</u> | <u>Legal Debt Margin to Aggregate Debt Limit</u> |
|-------------|-----------------------|------------------------|-----------------------------------|-----------------------------|--------------------------|--|
| 2010 | \$ 149,404,610 | \$ 14,940,461 | \$ 52,291,614 | \$ - | \$ 52,291,614 | 0.00% |
| 2009 | 148,167,635 | 14,816,764 | 51,858,672 | - | 51,858,672 | 0.00% |
| 2008 | 138,178,652 | 13,817,865 | 48,362,528 | - | 48,362,528 | 0.00% |
| 2007 | 125,150,972 | 12,515,097 | 43,802,840 | - | 43,802,840 | 0.00% |
| 2006 | 114,580,102 | 11,458,010 | 40,103,036 | - | 40,103,036 | 0.00% |
| 2005 | 110,989,362 | 11,098,936 | 38,846,277 | - | 38,846,277 | 0.00% |
| 2004 | 108,330,365 | 10,833,037 | 37,915,628 | - | 37,915,628 | 0.00% |
| 2003 | 97,519,170 | 9,751,917 | 34,131,710 | - | 34,131,710 | 0.00% |
| 2002 | 96,371,903 | 9,637,190 | 33,730,166 | - | 33,730,166 | 0.00% |
| 2001 | 94,687,898 | 9,468,790 | 33,140,764 | - | 33,140,764 | 0.00% |

Source: City of St. Gabriel Financial Reports

- (1) Legal debt limit is 35% of the total assessed value of taxable property (10% of the assessed value of taxable property for any one purpose)
- (2) There was no indebtedness secured by ad valorem taxes.

CITY OF ST GABRIEL, LOUISIANA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

(full accrual basis of accounting)

SCHEDULE A - REVENUE BONDS-SALES TAX-CIVIC CENTER OPERATION FUND

| Year | (1) Gross Revenue | Expenses | Available for Debt Service | (4) Debt Service Requirements | | | Coverage |
|------|-------------------------|----------|-------------------------------|----------------------------------|------------|------------|----------|
| | Principal | | | Interest | Total | | |
| 2010 | \$ 978,468 | \$ - | \$ 978,468 | \$ 55,406 | \$ 208,738 | \$ 264,144 | 3.70 |
| 2009 | 814,745 | - | 814,745 | 53,039 | 211,105 | 264,144 | 3.08 |
| 2008 | 510,362 | 230 | 510,132 | 50,772 | 213,372 | 264,144 | 1.93 |
| 2007 | 497,608 | - | 497,608 | 48,603 | 215,541 | 264,144 | 1.88 |
| 2006 | 481,121 | - | 481,121 | - | - | - | - |
| 2005 | 555,562 | - | 555,562 | - | - | - | - |
| 2004 | 548,183 | - | 548,183 | - | - | - | - |

SCHEDULE B - REVENUE BONDS - SEWER REVENUES - SEWER FUND

| Year | (2) Gross Revenue | (3) Expenses | Available for Debt Service | (5) Debt Service Requirements | | | Coverage |
|------|-------------------------|-----------------|-------------------------------|----------------------------------|------------|------------|----------|
| | | | | Principal | Interest | Total | |
| 2010 | \$ 788,437 | \$ 655,286 | \$ 133,151 | \$ 73,842 | \$ 135,392 | \$ 209,234 | 0.64 |
| 2009 | 786,266 | 414,091 | 372,175 | 70,520 | 138,388 | 208,908 | 1.78 |
| 2008 | 846,364 | 571,902 | 274,462 | 72,277 | 136,018 | 208,295 | 1.32 |
| 2007 | 912,094 | 566,586 | 345,508 | 64,632 | 144,065 | 208,697 | 1.66 |
| 2006 | 828,665 | 588,526 | 240,139 | 53,714 | 167,466 | 221,180 | 1.09 |
| 2005 | 482,744 | 533,440 | (50,696) | 44,472 | 167,321 | 211,793 | (0.24) |
| 2004 | 434,170 | 321,693 | 112,477 | 41,834 | 89,538 | 131,372 | 0.86 |
| 2003 | 415,879 | 409,150 | 6,729 | 16,373 | 80,801 | 97,174 | 0.07 |
| 2002 | 771,415 | 322,576 | 448,839 | 5,924 | 40,162 | 46,086 | 9.74 |
| 2001 | 92,779 | 114,029 | (21,250) | - | - | - | - |

1 City of St. Gabriel 1% sales and use tax

2 Sewer revenues and transfers from other tax funds

3 Total expenses less payments toward debt service and depreciation

4 The City began retiring this debt in 2007

CITY OF ST. GABRIEL, LOUISIANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

| Year | (1) Iberville Parish Population | (1) City of St. Gabriel Population | (2) Personal Income | Per Capita Personal Income | (3) Unemployment Rate | (4) Labor Market Area Unemployment Rate |
|------|--|---|---------------------------|----------------------------------|-----------------------------|--|
| 2010 | 32,505 | 5,560 | N/A | N/A | 8.7 | 6.4 |
| 2009 | 32,505 | 5,546 | N/A | N/A | 7.8 | 6.4 |
| 2008 | 32,899 | 5,583 | 1,001,083,671 | 30,429 | 5.3 | 4.5 |
| 2007 | 32,915 | 5,572 | 933,897,295 | 28,373 | 5.4 | 3.7 |
| 2006 | 32,885 | 5,605 | 860,731,990 | 26,174 | 7.5 | 3.9 |
| 2005 | 32,180 | 5,534 | 824,644,680 | 25,626 | 7.9 | 6.5 |
| 2004 | 32,332 | 5,560 | 741,599,084 | 22,937 | 8.8 | 5.8 |
| 2003 | 32,734 | 5,586 | 703,060,852 | 21,478 | 8.4 | 6.2 |
| 2002 | 33,031 | 5,607 | 687,342,079 | 20,809 | 7.5 | 5.7 |
| 2001 | 33,228 | 5,610 | 658,080,540 | 19,805 | 6.9 | 5.2 |

Source:

- (1) U.S. Department of Commerce, Bureau of the Census. 2010 data not available.
- (2) Bureau of Economic Analysis, information is for Parish of Iberville, information for 2010 not available. Parishwide per capita income used.
- (3) Louisiana Workforce Commission, Research and Statistics Division, information is for Parish of Iberville.
- (4) U.S. Department of Labor, Bureau of Labor Statistics

CITY OF ST. GABRIEL, LOUISIANA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

| Employer | 2010 (1) | |
|--|---------------------|------------------|
| | Number of Employees | Percent of Total |
| Louisiana Correctional Institute for Women | 762 | 12.70% |
| Elayn Hunt Correctional Center | 707 | 11.78% |
| Syngenta | 621 | 10.35% |
| Gillis W. Long Center | 300 | 5.00% |
| Total Petrochemicals USA, Inc. | 244 | 4.07% |
| Pioneer Americas, LLC | 160 | 2.67% |
| PCS Nitrogen Fertilizer | 136 | 2.27% |
| Cos Mar Company | 82 | 1.37% |
| City of St. Gabriel | 78 | 1.30% |
| Mexichem Fluor Inc. | 68 | 1.13% |
| | <u>3,158</u> | <u>52.63%</u> |

(1) Data for 2001, or nine years ago, was not available.

CITY OF ST. GABRIEL, LOUISIANA
FULL-TIME EQUIVALENT CITY EMPLOYEES
BY FUND/DEPARTMENT
LAST TEN FISCAL YEARS

| | Full-time Equivalent Employees Allotted in Annual Budget | | | | | | | | | |
|--------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| General Government | 13 | 12 | 12 | 11 | 13 | 13 | 13 | 14 | 14 | 14 |
| Police Department | 22 | 21 | 21 | 18 | 17 | 15 | 15 | 14 | 18 | 15 |
| Fire Department | 7 | 10 | 7 | 5 | 6 | 7 | 7 | 7 | 6 | 6 |
| Street Maintenance | 11 | 15 | 9 | 15 | 17 | 17 | 17 | 16 | 16 | 16 |
| Building | 3 | 4 | 6 | 1 | 1 | 1 | 1 | 1 | 3 | 3 |
| Social Services | 3 | 3 | 7 | 6 | 8 | 12 | 12 | 12 | 10 | 10 |
| Sewer | 7 | 9 | 9 | 9 | 8 | 7 | 7 | 7 | 7 | 7 |
| Civic Center | 8 | 8 | 5 | 8 | 8 | - | - | - | - | - |
| Code Enforcement | 4 | 4 | 2 | - | - | - | - | - | - | - |
| Total employees | <u>78</u> | <u>86</u> | <u>78</u> | <u>73</u> | <u>78</u> | <u>72</u> | <u>72</u> | <u>71</u> | <u>74</u> | <u>71</u> |

Source: City of St. Gabriel

CITY OF ST. GABRIEL
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| | FISCAL YEAR | | | | | | | | | |
|--------------------------------------|-------------|-------|-------|------|-------|-------|------|------|------|------|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| Function: | | | | | | | | | | |
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Physical arrests | 148 | 113 | 135 | 148 | 183 | 94 | 166 | 189 | 156 | 152 |
| Traffic violations | 3,867 | 4,160 | 4,067 | 780 | 1,213 | 1,167 | N/A | N/A | N/A | N/A |
| Public Works: | | | | | | | | | | |
| Building Permits: | | | | | | | | | | |
| Residential (new) | N/A | 17 | 26 | 78 | N/A | N/A | N/A | N/A | N/A | N/A |
| Commercial | N/A | 7 | 31 | 22 | N/A | N/A | N/A | N/A | N/A | N/A |
| Transportation: | | | | | | | | | | |
| Parish street maintenance program: | | | | | | | | | | |
| Number of miles maintained | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Number of bridges | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Sanitation: | | | | | | | | | | |
| Wastewater: | | | | | | | | | | |
| Number of users | 751 | 690 | 688 | 348 | 343 | 339 | 210 | 212 | 214 | 210 |
| Monthly flat fee | \$15 | \$15 | \$15 | \$15 | \$15 | \$15 | \$15 | \$15 | \$15 | \$15 |
| Drainage: | | | | | | | | | | |
| Miles of drainage ditches maintained | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 |
| Culture-Recreation: | | | | | | | | | | |
| Parks: | | | | | | | | | | |
| Number of parks maintained | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 3 |

Source: City of St. Gabriel Government and www.city-data.com
Crime statistics not available for 2010.
Traffic violation information not available for 2004 to 2001.
Permit information not available for 2010 and 2006 to 2001.

CITY OF ST. GABRIEL
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| Major Programs | FISCAL YEAR | | | | | | | | | |
|--|-------------|------|------|------|------|------|------|------|------|------|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| General Government: | | | | | | | | | | |
| Number of general government buildings | 3 | 3 | 3 | 3 | 2 | 1 | 1 | 1 | 1 | 1 |
| Number of vehicles | 12 | 11 | 11 | 5 | 5 | 5 | 5 | 5 | 4 | 4 |
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Number of vehicles | 21 | 19 | 15 | 15 | 17 | 17 | 14 | 13 | 10 | 8 |
| Number of stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire: | | | | | | | | | | |
| Number of stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Number of vehicles | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Streets and Sanitation: | | | | | | | | | | |
| Number of vehicles | 22 | 22 | 22 | 20 | 19 | 19 | 19 | 17 | 17 | 16 |
| Miles of streets | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Number of bridges | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Sewer: | | | | | | | | | | |
| Number of sanitary sewer systems | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 |
| Culture and Recreation | | | | | | | | | | |
| Number of parks | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 3 |
| Number of community centers | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Number of vehicles | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 7 | 6 |

Source: City of St. Gabriel

St. Gabriel Independent Auditor Financial Statements

For the Year Ended December 31, 2018



City of St. Gabriel, Louisiana

"No matter where you are going, you can get there from here."



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& Netterville

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and
City Council Members
City of St. Gabriel, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of St. Gabriel, Louisiana, as of and for the year ended June 30, 2010, which collectively comprise the City of St. Gabriel, Louisiana's basic financial statements and have issued our report thereon dated December 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of St. Gabriel's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Gabriel, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of St. Gabriel, Louisiana's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employee, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting that we consider to be significant deficiencies. 2010-1, 2010-2, 2010-3, 2010-4, and 2010-5. A *significant deficiency* is a deficiency, or a combination of deficiencies, internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and other matters

As part of obtaining reasonable assurance about whether the City of St. Gabriel's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2010-6.

The City of St. Gabriel, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of St. Gabriel, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Board of Aldermen, management of the City of St. Gabriel, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



December 21, 2010

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal Control over Financial Reporting:

- Material weakness(es) identified? yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? x yes none reported

Noncompliance material to financial statements noted? x yes no

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2010-1 Legislative Audit Advisory Services Report (Resolved)

Observation: In September 2009, the Louisiana Legislative Auditor issued an advisory services report relating to the best practices review of City operating practices. The report outlined deficiencies in operations, opportunities to enhance procedures and recommendations for corrective action. The matters outlined in the report are described below and the resolution of such matters is as follows:

- Financial management – Resolved
- Controls over payroll – Resolved
- Grant expenditures – Resolved
- Business license fees – Resolved
- Mayor's vehicle – Resolved
- Controls over cash receipts – Resolved
- Court costs – Resolved

Resolution of the following matters is in progress and described more fully below:

- Purchasing and disbursements
- Delinquent sewer accounts
- Traffic tickets
- Records retention
- Disaster recovery plan

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2010-1 Legislative Audit Advisory Services Report (Resolved) (continued)

Financial Management (Resolved)

Unresolved matters from 2009 were as follows:

1. The Mayor did not sign all check disbursements.
2. Noncompliance with revenue bond agreements
3. Need written policies and procedures.

Recommendation: The City should implement the recommendations made.

Management's corrective action plan: Management has implemented the following:

- **Mayor not signing checks.** The Mayor currently is signing check disbursements and this matter is considered resolved.
- **Noncompliance with revenue bond agreements.** Management fully funded the reserve accounts in July 2010 and has maintained such amounts properly, so this matter is considered resolved.
- **Need written policies and procedures.** The City has initiated the preparation of a policy and procedures manual. To date, the City has developed documentation for desk procedures for certain tasks. The City anticipates completion of the manual during 2011. This matter has been reclassified to Item 2010-5.

Controls over payroll (Resolved)

Controls related to payroll were recommended for approval in the following areas and were resolved during 2010 as follows:

1. City Clerk performs all payroll duties.
2. Overtime payments not approved.
3. Time sheet approvals not always documented.

Management has implemented corrective action to resolve this matter during 2010. The City contracted with a third party payroll provider to prepare the City's payroll in January 2010. The payroll provider installed an automated timekeeping system for time accumulation related to payroll preparation. As such, several functions relating to payroll preparation were reassigned to the third party provider.

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2010-1 Legislative Audit Advisory Services Report (Resolved) (continued)

- **Overtime payments not approved.** The Mayor approves overtime paid during the fiscal year.
- **Time sheet approvals not always documented.** The City is utilizing an automated timekeeping system to track and document time accumulated by employees.

Purchasing Disbursements

Observation: This item has been reclassified to Item 2010-4.

Business license fees (Resolved)

Observation: Certain businesses were identified as delinquent for 2008. The City has taken appropriate action regarding license fees and considers this matter resolved.

Mayor's vehicle (Resolved)

Observation: Two matters were reported relating to the use of a vehicle by the Mayor relating to personal use and displaying a decal on the vehicle. During 2009, the Mayor's vehicle began displaying the required City decal. Additionally, the City will report any personal use of the Mayor's vehicle on the Form W-2 for 2010. This matter is considered resolved.

Delinquent sewer accounts

Observation: This matter has been reclassified to Item 2010-2.

Traffic Tickets

Observation: This matter has been reclassified to Item 2010-3.

Court Costs (Resolved)

Observation: The City was not remitting special court costs to external entities. The City began remitting the required fees during 2010. This matter is considered resolved.

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2010-1 Legislative Audit Advisory Services Report (Resolved) (continued)

Records Retention Schedule

Observation: This matter has been reclassified to Item 2010-4.

Disaster Recovery Plan

Observation: This matter has been reclassified to Item 2010-4.

2010-2 Delinquent Sewer Accounts

Condition: As reported in previous audit findings, the City has a significant amount of unpaid and delinquent sewer utility service receivables. Additionally, certain delinquent balances were reported as owed by some City employees. Furthermore, the City was not timely filing sworn statements on delinquent accounts with the Parish clerk of court. Finally, all customer receivable adjustments were approved by the City Clerk.

Criteria: Sewer Fees should be collected timely to avoid delinquent status.

Effect: Efforts in collecting fees for sewer services have not been successful.

Cause: The City does not have adequate controls in place to effectively monitor the billing and collections of unpaid accounts.

Recommendation: The City should consider implementing the Legislative Auditor's recommendations.

Management's corrective action plan: The City has been diligent with efforts associated with collecting fees for providing sewer services. The internal efforts have not produced the results desired, which is the ultimate collection of the delinquent receivables; however, the delinquent situation continues to cause additional expenses to the City. The City has initiated a water service cut-off process with the Iberville Parish Water District #2, but no favorable results have been experienced yet.

The City initiated correspondence to delinquent sewer users during 2010 that discussed the City's intent to file liens and file reports with major credit bureaus for their failure to maintain a current account with the City. The City is also involving legal counsel in pursuit of this matter.

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2010-3 Traffic Ticket Activity

Observation: We have the following observations concerning traffic ticket activity:

- The City is using a stand-alone system to provide for the accounting related to traffic ticket administration. However, this system is not currently providing for a complete accounting of all tickets administered by the City. The system primarily reports ticket activity for collected amounts. As a result, tickets unpaid, unused or unissued do not get logged into the system or monitored by someone independent of the Police Department.
- Certain aspects of the financial administration are handled by one individual with no segregation of duties.
- The City uses an ATM and only accepts cash for payment of tickets.

Criteria: Traffic tickets, issued and unissued, should be adequately maintained and accounted for by the Police Department.

Effect: The City is unable to properly account for tickets that are issued, unissued and also unpaid.

Cause: The City has inadequate internal controls to provide proper accounting of traffic tickets.

Recommendation: Consistent with the prior year suggestions from the Legislative Auditor, the City should maintain an accounting for the numerical sequence of traffic tickets to ensure proper internal control is in place over these assessments and cash collections.

Furthermore, the City's accounting system has a module that can provide for the accounting over traffic ticket activity. The City should explore use of the component of its accounting program.

Since there is a lack of a proper segregation of duties over the traffic ticket accounting process, the City should implement procedures to provide for an internal process that accomplishes the following:

- The traffic ticket process is accounted for in the City's accounting system,
- The entire numerical sequence of tickets be accounted for regularly,
- Cash collections are collected by someone independent of the traffic accounting and issuance process. The City could consider using the Finance clerks who presently collect utility payments as the individuals responsible for collecting and depositing payments made from traffic tickets.
- Finally, the City should discontinue use of an ATM.

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2010-3 Traffic Ticket Activity (continued)

Management's corrective action plan: Management is reviewing this matter and has discussed it internally for several months. Management expects to finalize a reasonable action plan for implementation during 2011 that ultimately resolves this matter.

2010-4 Policies and Procedures

Condition: The Legislative Auditor previously recommended the development of certain written policies during their 2009 review. Management has reported the following:

- **Purchasing policy.** The City performed an internal review of adherence to the purchasing policy for the period April to June 2010. The City found that certain purchase orders were not retained to document adherence to the City purchasing policy.

Other matters previously reported by the Louisiana Legislative Auditor relating to purchasing were addressed and resolved during 2010.

- **Financial policies.** The City is presently developing written policies as recommended and will finalize this document during 2011.
- **Record retention policy.** The City has developed a written record retention policy and submitted for approval with the Louisiana State Archivist. At this time, the draft policy was reviewed with the City Council and City attorney.

Furthermore, the State Archivist has reviewed the policy and made several recommendations. The recommended changes have been made and re-submitted. However, final approval from the State has not been secured at this time. Management expects to resolve this matter in 2011.

- **Disaster Recovery Plan.** The City has developed a disaster recovery plan that the City Council is considering. Final approval has not been made at this time, but the City anticipates adoption during 2011.

Criteria: The recommendations made by the Legislative Auditor should be implemented.

Effect: The City has a few areas relative to policy development that is not finalized at this time.

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2010-4 Policies and Procedures (continued)

Cause: Policies should be set in place for the City to follow as guidelines.

Recommendation: The City should consider the following:

- Enhance internal procedures to properly retain documents that demonstrate compliance with the City's purchasing policy. Purchase orders, public bid documents and signature authorization should be retained with the third party invoice.
- Finalize the development of the internal document depicting the City's significant accounting policies and procedures, record retention policy and disaster recovery plan.

Management's corrective action plan: Management was informed of these internal findings in September 2010 and communicated policy compliance expectations at that time. The City will continue to exert efforts to comply with the internal purchasing policy. Furthermore, the City will continue to monitor adherence throughout the year to ensure this matter is resolved during 2011.

Finally, the City is finalizing the development of the policies mentioned above. The City anticipates this matter being resolved in 2011.

2010-5 Segregation of Duties

Condition: There is inadequate segregation of duties within the City's accounting department. The following was observed:

- Individuals who process bills are not independent of the collection function.
- An individual who prepares deposits also maintains the cash receipts ledger and posts entries to the general ledger.
- Wire transfers are not limited to specific bank accounts held by the City and there is a lack of approval process.

Criteria: Segregation of duties should be adequate within the City's accounting department to provide effective internal control.

Effect: The segregation of duties is inadequate to provide effective internal control over collections.

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2010-5 Segregation of Duties (continued)

Cause: The City's staff is insufficient to properly segregate duties within the accounting department.

Recommendation: The City has an independent CPA firm to assist its accounting department. We found that duties are divided between the CPA firm and the City personnel so that internal controls are enhanced. However, it is still noted that the City's size may make it unfeasible to adequately staff an accounting department with sufficient segregation of duties.

Management's corrective action plan: Management will review this matter in 2011 and implement procedures to achieve adequate segregation of duties.

NON COMPLIANCE WITH STATE LAWS AND REGULATIONS

2010-6 Budget

Condition: Certain revenues in the General Fund, Civic Center Operating Fund, and Code Enforcement Grant Fund were more than 5% below amounts budgeted. Also, other financing uses in the Parish-Wide Sales and Use Tax Fund exceeded the budget by 5%. The unfavorable variance was not addressed when the final budget was prepared in June.

Criteria: The City should adhere to the state budget law.

Effect: The City had a technical violation where actual revenues and other financing uses were not in compliance with budgeted revenues and other financing uses for 2010.

Recommendation: The City should maintain its budget within a 5% variance of actual results as stipulated by the budget law.

Management's corrective action plan: Management has historically maintained its operating budget within the requirements of the budget law. As such, this matter is considered to be an isolated incident and such variances are not expected in the future.

CITY OF ST. GABRIEL, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2010

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2009-1 Legislative Audit Advisory Services Report (Resolved)

Observation: The City resolved this matter during 2010.

2009-2 Segregation of Duties

Observation: This matter has been reclassified to Item 2010-5.

2009-3 Improve Collections of Receivables

Observation: This matter has been reclassified to Item 2010-3.

2009-4 Financial Management

Observation: This matter has been resolved.

2009-5 Noncompliance with Bond Covenants

Observation: This matter has been resolved.

2009-6 Public Bid Law

Observation: This matter has been resolved.

SPECIAL ACKNOWLEDGEMENTS

**Yolanda Andrews-Mattaur
City Clerk**

**Tammy Phillips
Finance Director**

**Linda Gibson
Accountant**

**Bianca Stewart
Accountant**

**Janet Madison
Police Department Manager**